

Integrated Development Plan (IDP) 2011/2012 to 2016/2017

**INDAKA
MUNICIPALITY**

**“a Municipality
without Poverty by
2030”**



Rural Development



Job Creation



Social Change



Agrarian Reform



Good Governance



*Infrastructure
Investment*

Draft 2015-2016

Municipal Profiling (Position Statement)

Basic Fact Sheet for the Indaka Local Municipal Area

Institutional Overview

- Indaka Local Municipality (KZ233)
- Newly Established in 18 December 2000 (Category B Municipality)
- Powers & Functions: Solid Waste 84(1)(e) & Municipal Roads 84(1)(f)
- 10 Wards (Notice 143 – 13 July 2000)
- Municipal Mayor – Cllr NB. Mchunu
- Municipal Manager – Mr K. S Khumalo

NB: The Indaka Municipality and Emnambithi Municipality (according to Notice No. 14(5) KZN Government Gazette and subsequent amalgamation proclamation by Municipal Demarcation Board (MDB) are disestablished in order to form the new Municipal entity (KZN238) after the 2016 Local Government elections. This means this is the last IDP generation for the Indaka Council which was elected in 2011 and the very last IDP for the entity called Indaka Municipality (KZN233)

Situational Overview

- Extent of Municipal Area equals 990km²
 - Population 103,117 (20,034 households)
 - Population Density 100/km²
 - Population Composition: Black (99.6%), Indian (0.18%), White (0.07%), Coloured (0.09%), other (0.04)
 - Male 44% and Female 55.8%
 - Age Profile: 51% below 20 years of age
 - Dependency Ratio of 63%
 - No Formal Education of 31%
 - Unemployment represents 72% of total population
 - Financial Grant Dependency equals 92%
 - 143 Settlements that vary in size scattered throughout
 - Land Ownership: 48% Ingonyama Trust, 51% State land, & 1% Private 84 farms
 - Primary Node: Ekuvukeni Village (R293)
 - Secondary Node: Mhlumayo Village
 - Tertiary Node: Sahlumbe & Limehill
 - Major Road traversing MR32 (Ladysmith Pomeroy Link)
 - 1734m Above Sea Level (Highest Point)
 - Two Major River Systems: uThukela & Indaka River
 - Agriculture: Low Potential (grazing dominant)
 - Tourism Opportunity: Cannibal Site & Community Based Tourism
 - Manufacturing / Industries: None - closest Ezakheni
- (Source: Statistics SA 2011)

Service Delivery

Backlogs RDP Standard (Stats SA 2011):

- Water 4,710 (22%),
- Sanitation 5,443 (25%) and
- Electricity 49%

Challenges

- No Well-Established Economic Core;
- No formal or proclaimed Town (Revenue Base);
- Negative Population Growth Rate (out migration);
- High Youth Ratio and High Unemployment;
- Social Grant Dependent (100% poverty stricken);
- Extremely high prevalence of HIV/AIDS;
- Lack of Social Support Services & Facilities/ Amenities;
- Dysfunctional and lack of Infrastructure Support Services;
- Access to Basic Infrastructure (Backlogs);
- Grant Dependency & Lack of Financial & HR Resources;
- Clean Audit (Implementation of Recovery Plan);
- Skills Attraction & Retention Strategy;
- Sustainable & Subsistence Agriculture / Farming; and

Key Interventions

- Infrastructure Master Plan with specific reference to Roads & Storm water & Solid Waste Management – to be fully implemented
- Sustainable Rural Development Strategy linked to Agrarian Reform -
- Review Series of Plans & Planning Directives, i.e. SDF. -
- Review LED Strategy to gear mass Job Creation & promote Sustainable Livelihoods
- Formalisation & Regeneration of Ekuvukeni & Waaihoek
- Implement Recovery Plan / Strategy (Operation Clean Audit)
- Prepare & Implement Revenue Enhancement Strategy
- Prepare Capital Investment Framework linked to Strategic Goals & Objectives
- Implement Housing Programmes linked to outcome of Rural Development Strategy
- Alignment of Social Investment Programmes & Partnerships
- Foster & Mobilize Partnerships to Economic Regeneration
- Prioritised Targeted Support (Public & Private Sector)
- Identify Pilot Programmes / Projects with specific reference to Rural Development
- Operation Sukuma Sakhe / War Against Poverty

Catalytic Projects

- Prepare & Implement Revenue Enhancement Strategy
- Formalisation & Regeneration of Ekuvukeni & Waaihoek townships
- Implementation of LED Strategy to gear mass Job Creation & promote sustainable livelihoods
- Implementation & Review Series of Plans & Planning Directives i.e. SDF, LUMS, EMF, Disaster, etc.
- Implement Recovery Plan/Strategy (Operation Clean Audit)
- Basic Infrastructure Investment specific reference to Roads & Storm-water
- Implement Housing programmes linked to outcome of Rural Development Strategy
- Alignment of Social Investment Programmes & Partnerships

Strategic Objectives per KPA

The strategic objectives and performance indicators have been developed taking into consideration the audit report for the previous financial year, the Framework For Managing Programme Performance Information (FMPPPI) last but not least the Back to Basics concept ushered in by the current Minister of Cooperative Governance and Traditional Affairs, Honourable Mr. P Gordhan. Herewith follows:

- **Basic Service Delivery and Infrastructure**

Objective:

- To promote access to basic services;
- To improve the lives of the communities through creation of safer living conditions;
- To strengthen service delivery through proper planning;
- Sustain efficient and acceptable refuse removal;
- To provide and promote access to public infrastructure;
- To maintain and repair the existing infrastructure and facilities.

- **Local Economic Development (LED)**

Objective:

- Optimise the spatial configuration of Indaka through planning;
- To coordinate jobs creation initiatives to fight unemployment;
- Implementation of the LED strategy.

- **Financial Viability and Management**

Objective:

- Improved budgeting and financial reporting in the Municipality;
- To improve cash management and internal controls;
- To promote the culture of statutory reporting;
- To maintain the effective supply chain management system;
- To increase revenue collection and management;
- To control and manage expenditure;
- To control debts to ensure financial viability;
- To maintain and control municipal assets;

- **Municipal Transformation and Institutional Development**

Objective:

- Develop and improve performance management and measures in the Municipality;
- To ensure the Municipality has a tool for effective service delivery;
- To conduct skills audit as part of Workplace Skills Plan;
- Strengthen and improve employment equity in the Municipality;
- Attain effective and efficient Municipal record management.

- **Good Governance and Public Participation**

Objective:

- To produce credible and inclusive strategic documents;
- Maintain a functional performance management system;
- To improve the Auditor General's Report (Operation Clean Audit);
- Improve Council oversight to ensure accountability;
- Synchronize the management and internal audit activities;
- Improve the public participation in municipal affairs;
- Implementation of strategies and policies enhancing good governance;
- To ensure the management of organisational risks.

- **Cross Cutting Interventions**

Objective:

- to preserve and protect the natural environment through the application of appropriate conservation management;
- To comply with Spatial Planning and Land Use Management Act (SPLUMA);
- Finalisation of formalization of Ekuvukeni and Waaihoek townships;
- Review of Capital Investment Framework (CIF)
- **Develop agricultural sector plan;**

- Review of Spatial Development Framework
- **To develop the Disaster Management Plan**

PRIORITISED MIG AND INTERNAL FUNDED PROJECTS (2015/2016 AND BEYOND)

No.	Project Name	Ward	MIG Funded	Internal Funded
1.	Arts and craft centre with community park (10KM of asphalt roads)	5	R6 200 000.00 (R20 178 000.00)	-
2.	Nogejane Hall (KwaZimba Road)	9	R2 307 528.00 (R1 668 480.81)	-
3.	Isibindi to Dalikosi road	7	R4 948 777.98	-
4.	KwaMteyi Hall	8	R2 307 528.00	-
5	Okhozini road (Ezingoleni to KwaKhomu)	10	R7 161 303.33 (R9 640 216.03)	-
6.	KwaMhlongo to KwaSithole tar road	1		
7.	Erection of high mast lights at Limehill	2	-	R2 000 000.00
8.	Access roads	3		
9.	Sokhulu to KwaSithole Tuckshop road	4		
10.	Tarred road and storm water (Arts and Craft Centre)	5		
11.	kwaNjomelwane to Ilenge road	7		
12.	Machibini Community Hall	8	R2 307 528.00	
13.	Ehlonyane road	9		
14.	Enqoleni to KwaKhomu road (Okhozini road)	10		

FOREWORD BY THE MAYOR

I am humbled to present yet another reviewed IDP to the community of Indaka and other affected parties. This last review comes at a time where the local municipalities of Indaka and Emnambithi will merge to form one municipal entity after the next local government elections. The community will also acknowledge that they were given ample time to participate in this last review thus the next Council which will be elected next year will carry the community development mandate for the next five years.

It is worthy to mention that the fresh mandate that we were given is accompanied by the blessing in it. I say so since there is no single party that was given the responsibility to govern this municipality alone, but the electorates commanded that we govern as a collective and have a compelling trait of leadership in such situations, which is sharing. We are compelled to share the common goals and vision of this council. We have to share the desire to meet the developmental challenges and provide our people with much needed infrastructure and social ills that mares them. We have to share the responsibility to eradicate poverty, fight corruption and disease, and we have to share the oversight role that we were automatically mandated to exercise collectively through the coalition that we formed as a result of the election results.

This Integrated Development Planning (IDP) document is part of the so-called 3rd generation IDP and will, as with previous 5-year IDP cycles, attempt to organise the developmental vision of the newly elected council into implementable plans, which will address the needs of the municipality's constituency. The 3rd generation IDP of the Indaka Municipality is structured according to the simplified IDP vision and the credible IDP Framework.

We are the community at work and we are pursuing our development goal together every day. There is no time to waste anymore because our municipality has seen enough procrastination in the past, hence, in the financial year in question, I am proud that we have had programmes that had a direct impact on the community's quality of lives. In every ward at Indaka, we delivered LED programmes like sewing machines, grass-cutting equipment, starter packs for hair salons, mobile phones, marquee tents and chairs, etc. I believe that this is just the beginning, and numerous challenges are still lying ahead and trust that the IDP, as strategic planning and implementation tool will focus the resources of the municipality effectively towards developing the municipal area to improve the lives of all who live in it.

Lastly I want to appreciate with thanks, the improvement that has been brought by the intervention in our municipality by the Provincial Government in terms of Section 139 (1) (b). Although, we have had some moments where the direction of the intervention could not be shared, I am glad that indeed this move will leave our municipality with much needed capacity and experience that will see us through in our ultimate goal to emancipate our communities in their needs for service delivery.

We are the community at work; let's take urgency in our service delivery efforts!

Your partner in service delivery

.....
Cllr. N B MCHUNU
MAYOR

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LIST OF ABBREVIATIONS

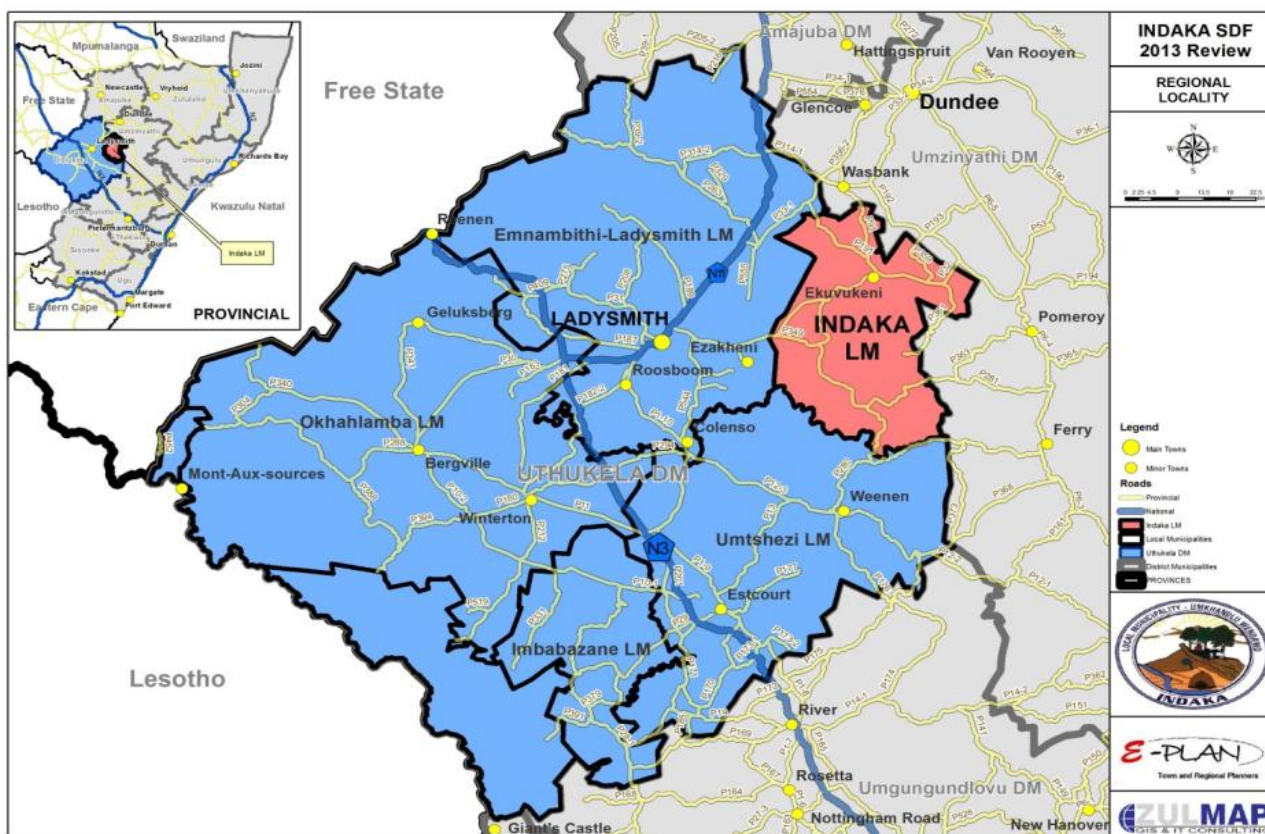
AG	-	Auditor General
B2B	-	Back to Basics
DEAT	-	Department of Environment, Agriculture and Tourism
COGTA	-	Department of Co-operative Governance and Traditional Affairs
DoE	-	Department of Energy
DBE	-	Department of Basic Education
DHS	-	Department of Human Settlement
DOT	-	Department of Transport
DWS	-	Department of Water and Sanitation
EXCO	-	Executive Committee
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDP	-	Integrated Development Plan
ILM	-	Indaka Local Municipality
KZN	-	KwaZulu-Natal
LED	-	Local Economic Development
LRAD	-	Land Redistribution for Agricultural Development
LUMF	-	Land Use Management Framework
LUMS	-	Land Use Management System
MEC	-	Member of the Executive Council (Corporative Governance & Traditional Affairs)
MFMA	-	Municipal Finance Management Act, No. 56 of 2003
MIG	-	Municipal Infrastructure Grant
MTCF	-	Medium-term Capital Framework
MSA	-	Municipal Systems Act, No. 32 of 2000
NT	-	National Treasury
OPMS	-	Organisational Performance Management System
PIMS	-	Planning, Implementation and Management System
PGDS	-	Provincial Growth and Development Strategy
DGDP	-	District Growth and Development Plan
PMAC	-	Performance Management Audit Committee
RF	-	Representative Forum
SADC	-	Southern Africa Development Community
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDBIP	-	Service Delivery and Budget Implementation Plan

SECTION A: EXECUTIVE SUMMARY

A.1.1 Indaka Municipality in Context

Indaka Municipality is one of the five local Municipalities situated in the Uthukela District Municipality. The uThukela District consists of five Local Municipalities namely: Indaka, Emnambithi/Ladysmith, Umtshezi, Okhahlamba and Imbabazane. The Indaka Municipality is a newly established municipality (established 18 December 2000), without a well-established economic centre. It shares borders with Emnambithi, Endumeni, Msinga and Umtshezi municipalities and is situated 49 km East of Ladysmith.

MAP 1: Indaka Municipality Locality Map



The Indaka Municipality's land area comprises approximately 9% of the total uThukela District Municipality land area. The majority of the land area of the Indaka Municipality falls under the Ingonyama Trust and used to be part of the former Zululand Homeland. This in itself has rendered the Indaka Municipality with little historical economic development and has left a legacy of impoverishment and dependency on migrant workers and social grants for socio-economic well-being of the majority of its population.

Indaka is a predominantly rural municipality which is characterised by extensive socio economic challenges such as a low revenue base, poorly maintained infrastructure and limited access to social and other services. High levels of poverty, unemployment, skills shortage, lack of resources and low levels of education are also prevalent.

The settlement patterns are dispersed which has resulted in under-developed land and settlement patterns. This presents a challenge in that it is expensive to deliver services. Indaka

has dense rural villages which are mainly located in the traditional areas. In terms of land ownership, approximately 95 % of the municipality is traditional land.

According to the 2011 Stats SA Census, the population of the Indaka Municipality has decreased from 113,644 people in 2001 to 103,116 people. This indicates a population decline of -10.2% over 10 years. In 2011, the number of males was 46,509 as opposed to 56,607 females and this is particularly noticeable in the 20 to 49 year age group which indicates a high level of out-migration of men in the economically active population.

A.1.2. Indaka's Development Vision

This vision is informed by members of council during the Didima Camp Strategic Session in 2012 and been reviewed and confirmed by the Council on a yearly basis, which include, but are not limited to:-

- ∞ Indaka is a rural municipality.
- ∞ The municipality to attract business people to foster partnerships to increase Local Economic Development by 2030.
- ∞ To create a self-reliant and economically viable municipality by 2030.
- ∞ The municipality to render sufficient Local Government Functions, and facilitate proper IGR by 2021.
- ∞ Strive to transform to an effective and efficient municipality that provides for the Indaka community's basic needs, and stimulate skills and decrease the unemployment rate by 2020, and jointly move forward in becoming one of the most competent municipalities in the world.
- ∞ By 2030, to eradicate poverty, to stimulate economic development, to create a safe and healthy environment, to sustain basic services, to improve quality of life, to provide electricity to all residences, access roads to all households by 2030, access to water for all residences, to develop urban settlement, to collect revenue.

The *Municipal* vision is as follows:

"Indaka, a Municipality without poverty by 2030"

The Mission statement

The Mission Statement defines the fundamental purpose of the municipality and is as follows:

- ∞ Providing Basic Services in an affordable and sustainable manner;
- ∞ Promoting social upliftment and economic regeneration;
- ∞ Promoting a safe and healthy environment;
- ∞ Promoting public participation in the manner that supports Co-operative / Developmental Government;
- ∞ Building and entrenching Citizen Involvement.

A.1.3. The Challenges We Face

The Indaka Municipality continuously undergoes self-assessment and some key challenges are identified through this process. These issues are captured as part of the IDP process and are informed through data sources, including statistics from Census and community surveys, community participation and consultation and internal municipal strategic initiatives.

The socio-economic challenges in the Indaka Municipality are substantial, mostly due to the rural and underdeveloped nature of the municipal area and the related prevalence of poverty and dependence on social grants. The challenges faced by the Indaka Municipality relate to virtually every aspect of the human development index and general societal needs and desires.

The IDP will identify, analyse and address ways of addressing the challenges. Some of the major challenges faced by the Indaka Municipality can briefly be summarised as follows:

- ∞ The municipality has no well-established economic core, which hampers economic development within the municipal area, as well as, no formal and/or proclaimed town. As a result, the area is unable to attract inward investments that could address economic development challenges. This also renders the municipality without an income base as rates and taxes cannot be collected from any of the settlements.
- ∞ Partly due to the above, there is a high rate of unemployment, and the majority of families depend on social grants for their survival. The poverty levels, combined with levels of deprivation are at very high levels.
- ∞ There exists an extremely high prevalence of HIV/AIDS in the municipal area, with the estimated infection rate at approximately 25%. The high mortality rate and burden of AIDS related illness caused by this has resulted in increased socio-economic hardships of families in the municipality, mostly due to a loss of income when economically active family members are unable to work or pass away.
- ∞ A lack of proper educational facilities contributes to the high levels of illiteracy in the Indaka Municipality. No tertiary education facility exists in the municipality and the nearest is the Mnambithi Technical, Vocational Education and Training (TVET) College in Ladysmith.
- ∞ The inadequate and limited recreational facilities are perceived to be contributing factors to socio economic issues in the Indaka Municipality.
- ∞ The crimes rate in the municipality is high and this is caused by the fact that there is only one police station in the municipality and it is not located central to the geographical extent of the municipal area. The high crime rate is perceived to hamper tourism, amongst other negative influences.
- ∞ Huge infrastructure services backlogs exist in the municipality and the major shortages are found in the delivery of water, sanitation and electricity.
- ∞ According to the Spatial Development Framework and land use plans of the municipality, the Indaka Municipality has unutilized, productive land which can be utilized for housing purposes. Large portions of land in the municipality are subjected to land claims and these places a burden on development on this land.
- ∞ The dispersed settlement pattern in the municipality makes physical infrastructure related services delivery extremely expensive and in most cases not effectively affordable.

A.1.4. The Opportunities We Offer

Notwithstanding the numerous challenges that the Indaka Municipality is faced with, there are various opportunities that are offered by features within the municipality. Amongst others, the identified opportunities include:

Natural Landscape

Indaka Municipality is characterized by two drainage systems-uThukela and Sundays River. The fast flowing uThukela Rivers form the southern boundary of the municipality, with tributaries drainage southern wards to the river.

Sundays River drainage basin forms the major proportion of Indaka municipal area. The flowing of these rivers through the municipality is viewed as an opportunity because they act as centripetal force to the industries to the municipality and also make water supply projects possible to the municipality.

Suitable Arable Land and Land for Infrastructural Development

Indaka Municipality has plenty of unoccupied land. Therefore, this municipality is suitable for physical development projects e.g. housing. Though agricultural potential is limited at Indaka, there are some areas that have been identified as having good and moderate agriculture potential.

Location and Accessibility

Indaka Municipality is not transverse by any national roads, but has a network of provincial and district roads due to its proximity to N3 and N11.

These roads service the municipality itself and carry primarily local traffic. The most important provincial road is the Helpmekaar road, which runs from Helpmekaar through Ekuvukeni and the Limehill Complex, before linking with Dundee Pomeroy road (MR32). From the road, a network of district and provincial roads service the northern areas of the municipality which links to Elandslaagte, Wasbank and Wesselsnek to the North, possible by means of provincial roads.

Tourism

Tourism, though, is a sensitive industry and has a possibility to grow with two projects that include: picnic site, cultural village and cannibalism route. Cannibalism route project is under implementation.

Tourism seems to be growing slightly at Indaka, but the disturbing factor is crime and investment opportunities which are very limited.

A.1.5. Strategies for Improvement

Economic Development

Since the municipality does not have a revenue base, it has engaged itself in developing projects that could generate income for the municipality. Those projects are: cannibalism route project, craft centre, shopping complex and sight-seeing.

The municipality has developed a Local Economic Development Strategy that outlines how the Indaka economy should be developed. The Municipality will roll-out the implementable projects as per the strategy in partnership with other sector departments such Agriculture and Tourism to name just a few.

Financial Management Viability of the Municipality

Financial affairs of the Municipality are now in order having obtained unqualified audit reports in two successive years. The Municipality has a long way to go in order to address the grant dependency ration.

The Municipality has successfully completed its turn-around and is no longer under administration after obtaining a favourable audit from the Auditor-General. The municipality is also attempting to speed up the implementation of the Property Rates Act so that it will have a revenue base and this will boost financial viability of the municipality, hence the need to formalize the towns.

Eradicating Infrastructure Backlogs

The municipality has conducted a Backlog Study and is aware of all backlogs in terms of the service delivery. Indaka engages itself with sector departments to convey the researched data contained in the Backlog Study for inclusion in their budgets.

HIV/AIDS Combating

Indaka Municipality has a high prevalence rate of HIV/AIDS. With reference to the above-mentioned rate, the municipality has developed an HIV/AIDS Strategy. The developed strategy outlines intervention programmes and projects that should be implemented to combat HIV/AIDS.

Skills Auditing

The municipality has embarked on the Skills Audit Programme and it has revealed some gaps to many staff members of the municipality. Some training has been organized to fill those gaps and workshops have been recommended for other staff members. The findings of the Skills Audit were accommodated in the Municipal Assistance Programme (MAP).

Housing Plan

The municipality intends building houses for the Indaka community. A Housing Sector Plan has been developed, however, needs to be annually reviewed. House construction has commenced and is yielding positive results.

Development of Performance System

To better and maintain performance, the municipality has developed a performance monitoring tool that is closely monitoring performance of individuals in terms of service delivery.

Improved Council oversight

The Municipality has identified the capacity needs for Councillors in order to play their oversight role. The capacity building trainings has been conducted by Municipality in partnership with CoGTA. The Municipal Public Accounts Committee has been established and capacitated to enhance the Council oversight.

A.1.6.Indaka's Strategic Development Role

The diagram below depicts the strategic role that the Indaka Local Municipality will fulfil as part of their service delivery programme.

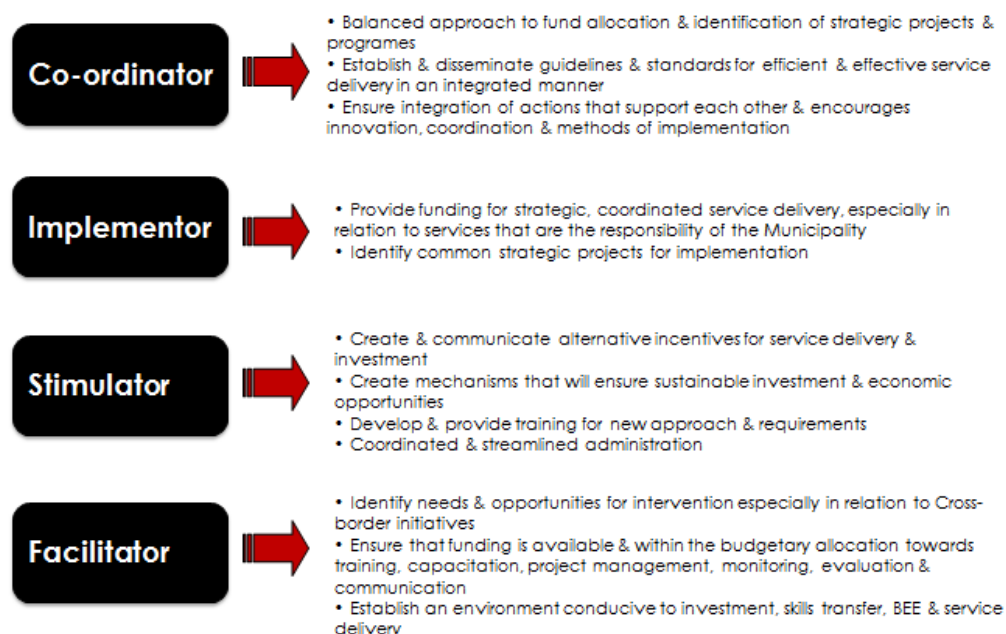


Figure 1: Strategic Role of Indaka LM as part of their Service Delivery Programme

A.1.7. Indaka 5 Years from Now

To reach developmental objectives for municipal areas, the government's priority since 1994 has been meeting the basic needs of the millions of South Africans living in poverty. This target has been a cornerstone of government's redistribution and poverty-eradication effort. In line with the Millennium Development Goals, government's target is to ensure that by 2014 all households have access to the minimum standard for each basic service.

The attainment of these Millennium Goals seems unlikely for most municipalities, in most of their service delivery sectors. Government has not yet revised its targets to apply to the realistic attainment of medium term goals reaching beyond 2014.

Targets for Service Delivery

The table below depicts the current targets set by government in order to accelerate service delivery to meet basic needs and to promote growth.

Minimum standards for basic services, vision 2021

Sector	Minimum Standard 2014 Target
Water	All households to have access to at least clean piped water 200m from household
Sanitation	All households to have access to at least ventilated pit latrine on site
Electricity	All households to be connected to national grid
Refuse Removal	All households to have access to at least once a week refuse removal services
Housing	All existing informal settlements to be formalized with land-use plans for economic and social facilities and with provision of permanent basic services

Other (education, health, roads, transport, sports and recreation, street trading, parks, community halls, etc.)	Standards for access for all other social, government and economic services must be clearly defined, planned, and where possible, implemented by each sector working together with municipalities in the development and implementation of IDPs.
--	--

Table 1: Minimum Standards for Basic Services

A related 2021 goal is to halve unemployment and poverty. Through their procurements of services and by using labour-intensive methods to maintain and build infrastructure, municipalities both broaden participation in the local economy and create work opportunities for the poor.

It is important to consider at this point the potential of differentiated approaches to service provision. It is possible that current standards and expectations may have to be reviewed. Highly urbanized areas, with formal settlements can reasonably expect their own standpipes, whilst tiny rural areas, such as Indaka, may need to realistically have service delivery focusing on greater access to state provided boreholes, or rain tanks and water harvesting, and alternative energy for cooking, e.g. bio-fuel. In considering alternative service delivery models, positive political leadership and optimal communication would be critical. Here, structured, directed and regular communication with communities plays a key role.

The Municipality's Expectations by 2021

The Municipality is expected to have achieved the following by 2021:

- ∞ The municipality shall improve its revenue base.
- ∞ The municipality shall have implemented the Property Rates Act.
- ∞ The municipality shall have minimized backlogs on:
 - Electricity;
 - Water and Sanitation;
 - Roads;
 - Increased HIV/AIDS Awareness;
 - Housing; and
 - Protected Environment.

Critical Targets

The municipality has identified priority issues which need to be addressed as they are critical targets over the short-term:

Infrastructure Priority Issues

- ∞ Water and Sanitation;
- ∞ Roads;
- ∞ Electricity;
- ∞ Telecommunication infrastructure; and
- ∞ MPCC.

Economic Priority Issues

- ∞ Economic Development;
- ∞ Tourism Initiative Development;
- ∞ Development of Shopping Centre (Township Formalisation); and
- ∞ Development of SMME's.

Environment Priority Issues

- ∞ Development of Environmental Management Framework (EMF); and
- ∞ Development of Environmental Protection Plan.

A.1.8. Developing the Indaka IDP

A Process Plan to guide the development of the 2015/16 Indaka IDP review was considered and approved by the Council in July 2014. This Process Plan sets out timeframes for formulating the IDP, including the achievement of certain milestones. It details responsibilities, methodology, mechanism for community participation and mechanism for alignment with other stakeholders. This Process Plan has also been aligned to the Framework Plan of the UThukela Family of Municipalities and it is attached hereto as **Appendix J1**.

The approach to 2015/16 IDP include the following six key activities:

- Implement the MECs recommendations on the 2014/2015 IDP;
- Strategic Review of the contents of the 2014/15 IDP;
- Reviewing of sector plans;
- Alignment with sector departments and service providers;
- A filtering process whereby the reviewed IDP and Sector Plans are integrated with the resource framework;
- The development of a detailed implementation framework;
- The preparation of the 2015/2016 IDP; and
- Tabling the final draft 2015/2016 IDP for Council adoption.

IDP Steering Committee

As part of the IDP preparation process, Council resolved to establish an IDP Steering Committee, which will act as a support to the IDP Representative Forum, the Municipal Manager and the IDP Manager. These structures are to continue functioning throughout the IDP Review Phase.

The IDP Manager

The IDP Manager is an official of the municipality assigned the responsibility of championing the IDP process. Amongst other, the following responsibilities have been allocated to the IDP Manager for the IDP Review Process:

To ensure that the Process Plan is finalised and adopted by Council;

- To adjust the IDP according to the proposals of the MEC;
- To identify additional role-players to sit on the IDP Representative Forum;
- To ensure the continuous participation of role players
- To monitor the participation of role players;
- To ensure appropriate procedures are followed;
- To ensure documentation is prepared properly;
- To carry out the day-to-day management of the IDP process;
- To respond to comments and enquiries;
- To ensure alignment of the IDP with other IDP's within UThukela District Municipality;
- To co-ordinate the preparation of the Sector Plans and their inclusion into the IDP documentation;
- To co-ordinate the inclusion of the Performance Management System (PMS) into the revised IDP.
- To submit the reviewed IDP to the relevant authorities.

Project Teams

Projects Teams are composed of municipal officials, public/private sector agencies and relevant portfolio councillors. The municipality will establish/revive Project Teams to deal with project planning and consolidation where improvements or changes have to be made to projects.

IDP Representative Forum (RF)

The IDP Representative Forum (RF) will be reviewed by including the newly established Ward Committee members and Traditional Councils. It has, however, been noted that the participation by NGO's and CBO's in many of the RF's has not been as good as was anticipated. As such, additional effort will need to be made to include more organisations and ensure their continued participation throughout the IDP Review.

Table 2: The Programme for IDP, Budget and Organisational PMS Process

Activity No.	Action/ Task For IDP and Budget	Timeframe For Task Completion
August / September 2014	Align IDP and Financial Processes: <ul style="list-style-type: none">• Advertising for stakeholder participation• Revival of IDP Organisational Structures• Draft and advertise the IDP Process Plan• Adoption of Process Plan by EXCO• 1st IDP Steering Committee meeting• 1st IDP Representative Forum• Adoption of the process plan by Full Council	30 September 2014
October / November 2014	2nd IDP Steering Committee Meeting: <ul style="list-style-type: none">• Review Priority issues• Review Municipal Vision and Mission• Review Objectives and Strategies• Review Spatial Development Framework• Identify outstanding Sector Plans• Integrate finalized sector plans• Review of Projects• Adoption of objectives and strategies• Review of KPI'S Targets, timeframe etc. where impacted upon by reprioritization• Align with budget estimate	30 November 2014
March/May 2015	<ul style="list-style-type: none">• Present Draft IDP Document to 3rd IDP representative Forum• Assessment by Provincial IDP Forum• Public Participation• Incorporate municipality's approved budget• Advertise for public comments and incorporate comments where possible	31 May 2015
June 2015	<ul style="list-style-type: none">• EXCO recommend IDP approval to Council• Council approval of IDP• Submission to MEC	30 June 2015

A.1.9. Public Involvement, Participation and Consultation

The Indaka Municipality is committed to adhere to its mandate of serving its constituency through effective and honest public participation, involvement and consultation. The Indaka Municipality, through its Process Plan, prescribed a method and process to be followed in ensuring that there is an acceptable level of public participation during the Integrated Development Planning process. The following mechanisms and processes for participation have been put in place.

Four major functions can be aligned with the public participation process namely:

- Needs orientation;
- Appropriateness of solutions;
- Community ownership; and
- Empowerment.

Like with the preparation of the IDP, the public participation process in the IDP Review phase has to be institutionalised in order to ensure all residents have an equal right to participate.

- a) Representatives Forum (RF) will represent all stakeholders and will be as inclusive as possible. Efforts were made to bring additional organisations into the RF and ensure their continued participation throughout the process. The representative forum met as indicated in the process plan and were organised to coincide with the completion of each phase.
- b) Local newspapers were used to inform the community of the progress of the Review phase. A notice was submitted to the local newspaper on the completion of the IDP Review.
- c) On completion of the IDP Review, a Mayoral Izimbizo will be scheduled to ensure that the input of the community at large is also taken into account.
- d) Regular update of the ward committee members of the process of IDP review.

The following internal and external stakeholders were considered as part of the public participation and engagements in developing this IDP.

Internal Stakeholders

Role Player	Roles and Responsibilities
Council	<ul style="list-style-type: none">• Final decision making• Approval of the reviewed IDP documentation.
Councillors	<ul style="list-style-type: none">• Linking the IDP process with their constituencies• Organising the public participation.
Mayor	<ul style="list-style-type: none">• Decide on the process plan.• Be responsible for the overall management, coordination and monitoring of the process and drafting of the IDP Review documentation, or delegate this function
Municipal Officials	<ul style="list-style-type: none">• Provide technical/sector expertise.• Prepare selected Sector Plans.• Prepare draft progress proposals.
Municipal Manager	<ul style="list-style-type: none">• Decide on planning process.• Monitor process.• Overall Management and co-ordination.
IDP Manager	<ul style="list-style-type: none">• Day-to-day management of the process
IDP Steering Committee	<ul style="list-style-type: none">• Assist and support the Municipal Manager/IDP Manager and Representative Forum.

	<ul style="list-style-type: none"> • Information "GAP" identification. • Oversee the alignment of the planning process internally with those of the local municipality areas.
Municipal Officials	<ul style="list-style-type: none"> • Provide technical/sector expertise. • Prepare draft progress proposals.

External Stakeholders

Role Player	Roles and Responsibilities
The District Municipality	<ul style="list-style-type: none"> • Coordination role for local municipalities. • Ensuring horizontal alignment of the IDP's of the municipalities in the district council area. • Ensuring vertical alignment between the district and local planning. • Facilitation of vertical alignment of IDP's with other spheres of government and sector departments. • Provide platform for joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists.
Representative Forum/Civil Society	<ul style="list-style-type: none"> • Representing stakeholder interest and contributing knowledge and ideas.
Government Departments through stakeholders forum	<ul style="list-style-type: none"> • Provide data and information. • Budget guidelines. • Alignment of budgets with the IDP. • Provide professional and technical support.
Consultants	<ul style="list-style-type: none"> • Providing the required specialist services for various planning activities • Methodological guidance. • Facilitation of planning workshops. • Support with guidance on Sector Plans (sources of funding and guidelines). • Documentation.

A.1.10. Organisational Key Performance Indicators

The Municipality has successfully completed its turn around and is no longer under administration after obtaining a favorable audit from the Auditor-General.

The following targets were identified within the context of the current realities, development challenges and the strategic development objectives put forward in response to achieve the development vision of Indaka, namely:-

- Implement Recovery Plan / Strategy (Operation Clean Audit);
- Prepare & Implement Revenue Enhancement Strategy;
- Prepare Capital Investment Framework linked to Strategic Goals & Objectives;
- Prioritised Targeted Support (Public & Private Sector Backlog Study (Core Infrastructure);
- Infrastructure Master Plan with specific reference to Roads & Storm water & Solid Waste Management;
- Sustainable Rural Development Strategy linked to Agrarian Reform;
- Formalisation & Regeneration of Ekuvukeni & Waaihoek townships;
- Formulate/Review Series of Plans & Planning Directives, i.e. SDF, LUMs, EMF, Disaster, etc.;
- Review LED to gear mass Job Creation & promote Sustainable Livelihoods;
- Implement Housing Programmes linked to outcome of Rural Development Strategy;
- Alignment of Social Investment Programmes & Partnerships;
- Foster & Mobilize Partnerships to Economic Regeneration;
- Identify Pilot Programmes / Projects with specific reference to Rural Development; and
- Operation Sukuma Sakhe / War Against Poverty.

A.1.11. Responses to 2014/2015 MEC Comments

The comments received from the MEC of Local Government on the 2014-2015 IDP provided guidance to the 2015/2016 IDP Review process.

Commendations	Recommendations	Municipal Action
KPA 1: Municipal Transformation & Institutional Development		
<ul style="list-style-type: none"> ∞ Development of HR policies 	<ul style="list-style-type: none"> ∞ Articulate clearly which sec 54/56 positions are filled and vacant in the organogram; ∞ Develop HR strategy; ∞ Appoint a dedicated Environmental Management personnel; ∞ Take cognizance of the requirements of the SPLUMA; ∞ Develop and implement IT and governance framework and strategy 	<ul style="list-style-type: none"> ∞ The attached organogram addresses the filled/unfilled positions in the organogram ∞ The HR department will develop an strategy for the 2015/2016 financial year ∞ The post will not be catered for since the Municipality will merge with Umnambithi Municipality next year. ∞ The Change Management Committee (CMC) is sitting on a monthly basis addressing issues of SPLUMA and other matters prior amalgamation; ∞ ICT framework developed in 2014/2015 and implemented and reported as part of SDBIP
KPA 2: Local Economic Development		
<ul style="list-style-type: none"> ∞ Analysis and alignment clearly shown in the KPA 	<ul style="list-style-type: none"> ∞ Develop of Monitoring and Evaluation Strategy 	<ul style="list-style-type: none"> ∞ The Action Plan as part of monitoring and evaluation tool on implementation of LED strategy will be formulated and approved by Council before end of June 2015

Commendations	Recommendations	Municipal Action
KPA 3: Basic Service and Infrastructure		
<ul style="list-style-type: none"> ∞ Current backlog and needs clearly indicated; ∞ Basic services backlogs analysis well presented; ∞ SWOT analysis provides a good summary of the KPA 	<ul style="list-style-type: none"> ∞ Linking the infrastructural development (road etc.) to Operational and Maintenance Plan (OMP); ∞ Include backlog in the telecommunication and current information; ∞ Solicit assistance from sector departments with regards to mapping, Integrated Transport Plan (ITP) and development of OMPs. 	<ul style="list-style-type: none"> ∞ The Municipality has prepared and adopted the Operational and Maintenance Plan for the 2014/2015 financial year, the O&M Plan will be reviewed for the 2015/2016. ∞ The telecommunication information as per 2011 Stats SA will be included, no current information) ∞ The Municipality has coordinated sector departments critical to Indaka IDP at a District Municipality level. Information has been received and included in the IDP.
KPA 4: Financial Viability and Management		
<ul style="list-style-type: none"> ∞ Acknowledge grant dependency; and ∞ Progressive financial targets to improve viability 	<ul style="list-style-type: none"> ∞ Improve on capital expenditure; ∞ Develop and implement revenue enhancement strategy; ∞ Include the salary cost of employees; ∞ Include data on free basic service provision; ∞ Previous year audit opinion; ∞ Current and planned borrowings; 	<ul style="list-style-type: none"> ∞ The Municipality will request assistance from Emnambithi Municipality's PMU unit to fast track the capital expenditure; ∞ The Municipality through CMC platform will develop a comprehensive revenue enhancement strategy accompanied by Action Plan. ∞ Salary cost of employees is included in page 120 ∞ Data on free basic services included in page 98 ∞ Audit results included in page 178 ∞ The status of current and planned borrowing Included in page 121

Commendations	Recommendations	Municipal Action
KPA 5: Good Governance and Public Participation		
<ul style="list-style-type: none"> ∞ The municipality is playing its part on the IGR structure. 	<ul style="list-style-type: none"> ∞ Participate in the implementation of IGR Terms of Reference; ∞ Development of the communication strategy; ∞ List and Implement good governance and public participation policies; ∞ List and provide the status of Bid and Portfolio committees. ∞ Provide update and the list of all Municipal by-laws. 	<ul style="list-style-type: none"> ∞ The Municipality is participating in all IGR structure sitting on a monthly basis at the District Municipality; ∞ Communication strategy approved by Council in December 2013, will be reviewed as part the 2015/2016 IDP process; ∞ The list of policies is included in page 85 ∞ The functionality of bid committees is stated in page 125 ∞ The list of Municipal by laws is at page 126
KPA 6: Cross Cutting Interventions		
<ul style="list-style-type: none"> ∞ Compliant to Section 26(e) of Municipal Systems Act; ∞ The Municipality has Infrastructure Plan and Rural Development strategy 	<ul style="list-style-type: none"> ∞ SDF to provide guidelines for schemes to be adopted ∞ Overall credibility and support of SDF strategies; ∞ Improve on mapping on the SDF; <ul style="list-style-type: none"> ∞ Compliance with SPLUMA requirements; ∞ Include CIF or a Strategic Environmental Assessments (SEA); ∞ Develop guidelines for the protection of valuable or high potential agricultural land; ∞ Develop a dedicated agricultural land management plan; ∞ Development of disaster management plan accompanied by risk profiling; ∞ Preparation for the adoption of municipal wide scheme by August 2019 	<ul style="list-style-type: none"> ∞ The SDF which is included in the IDP has clear guidelines on the schemes to be adopted; ∞ Indaka SDF is credible but need a reviewal before the amalgamation; ∞ The SDF will be reviewed in August 2015 therefore the mapping will be improved; ∞ The SEA and CIF included in pages 59 and 189 respectively ∞ The agricultural development plan will be developed in 2015/2016 which will identify the valuable agricultural land; ∞ Disaster Management Plan is under development and will be included in the final IDP; ∞ The Municipality will develop the wide scheme before August 2019.

SECTION B: GOVERNMENT POLICIES, AND IMPERATIVES AND PLANNING, DEVELOPMENT PRINCIPLES.

B.1. Government Priorities

The strategic framework will address the objectives and strategies of the municipality that it needs to achieve in a specific time frame to address key issues identified. The objectives and strategies of the municipality must be in line with the International, National and Provincial guidelines.

B.1.1. The Millennium Development Goals

The Millennium Development Goals (MDGs) are eight international development goals contained within the United Nations Millennium Declaration (2000) .that all 193 United Nations member states (including South Africa) have agreed to achieve between the year 2000 and 2015.

As these goals are aimed at service delivery and improving the social conditions of communities, all local municipalities, including the Indaka municipality have a critical collective role to fulfil towards achieving these goals within South Africa. The Millennium Development Goals and associated targets are summarised by the table below:

MILLENNIUM DEVELOPMENT GOALS	TARGETS FOR 2015
Goal 1: Eradicate extreme poverty and hunger	Target 1A: Halve the proportion of people living on less than \$1 a day. Target 1B: Achieve Decent Employment for Women, Men, and Young People Target 1C: Halve the proportion of people who suffer from hunger
Goal 2: Achieve universal primary education	Target 2A: By 2015, all children can complete a full course of primary schooling, girls and boys
Goal 3: Promote gender equality and empower women	Target 3A: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
Goal 4: Reduce child mortality rates	Target 4A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate
Goal 5: Improve maternal health	Target 5A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio Target 5B: Achieve, by 2015, universal access to reproductive health
Goal 6: Combat HIV/AIDS, malaria, and other diseases	Target 6A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS Target 6B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it Target 6C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.
Goal 7: Ensure environmental sustainability	<ul style="list-style-type: none"> Target 7A: Integrate the principles of sustainable development into country policies and programs; reverse loss of environmental resources Target 7B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

	<ul style="list-style-type: none"> • Target 7C: Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation. • Target 7D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum-dwellers
Goal 8: Develop a global partnership for development	<ul style="list-style-type: none"> • Target 8A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. • Target 8B: Address the Special Needs of the Least Developed Countries (LDC). • Target 8C: Address the special needs of landlocked developing countries and small island developing States. • Target 8D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.

Table 3: Millennium Development Goals

B.1.2. 14 National Outcomes

The schematic representation below provides outline of the integrated approach followed in the formulation of the Indaka IDP, which demonstrates the alignment between the National Key Performance Areas (NKPA's) and the Provincial Key Priorities. These key areas of intervention are in turn aligned with the 12 National Outcomes that serve as the Development Thrusts (regarded as the non-negotiable). Each of these priorities are benchmarked against the backbone of the Provincial Sustainability Approach followed in the formulation of the Provincial Growth and Development Strategy (PGDS) 2011. The supporting pillars are:-

- **Economic Efficiency** through capital gain to attain Prosperity;
- **Social Equity** to ensure the development of Human Capital; and
- **Ecological Integrity** to ensure Environmental Capital.

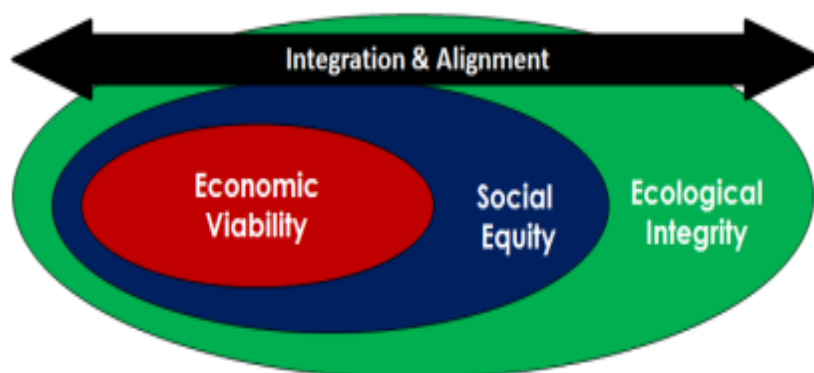


Figure 2: The Supporting Pillars of Integration & Alignment

These sustainable pillars are further support by:-

- **Good Governance**, building capacity within province to guide and direct growth and development through policy and strategic coordination, to ensure effective, accountable, competent, caring, facilitating government and will eradicate corruption;
- **Strategic Infrastructure Development**, focusing on catalytic projects to stimulate and growth and development at national and provincial scale such as public and freight transport, ICT, water and electricity;

- **Spatial Development and Management**, focusing of poly centric development, population density management, rural development, appropriate land use management through spatial referencing and guidance.

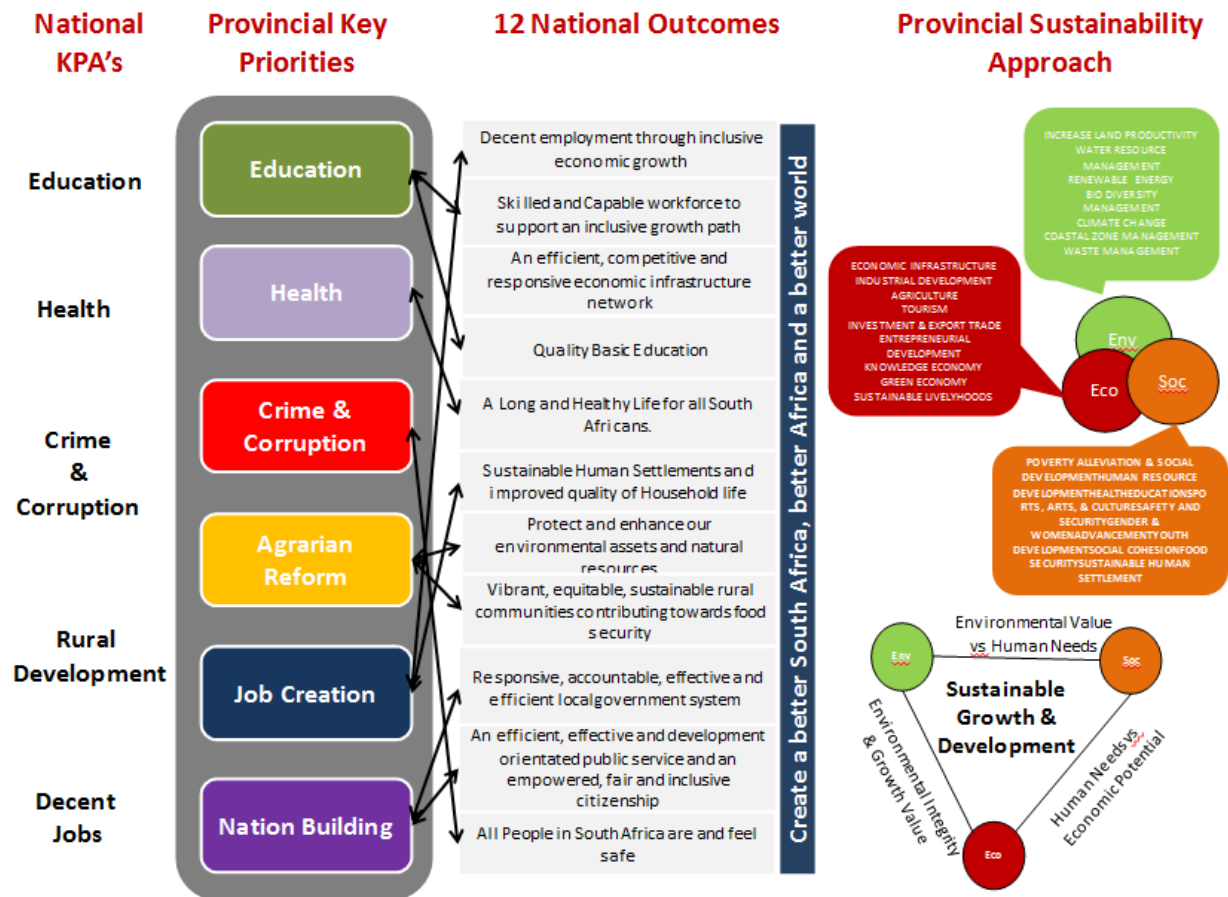


Figure 3: Figure 4: National KPA's

National **Outcome 9** relates to local government and is defined as: "A Responsive, accountable, effective and efficient local government system". Outcome 9 thus acknowledges that Local Government is a key part of the reconstruction and development effort in South Africa. There are seven outputs that need to be reported on in order to meet the requirements of Outcome 9 and the table below illustrates both the outputs as well as the key elements to be addressed by the Indaka IDP in support of the outputs.

OUTPUTS	ELEMENTS TO ADDRESS
Output 1: Implement a differentiated approach to municipal financing, planning and support.	<ul style="list-style-type: none"> Contextual information towards a segmented classification of the municipality. Simplified IDP format. Simple revenue plan. Top 6 Critical posts identified, audited and filled. Concise performance contract for municipal manager.
Output 2: Improving access to basic services	<ul style="list-style-type: none"> Status and challenges of Household Access to Water, Sanitation, Refuse Removal and Electricity Role definition and co-ordination structure. Infrastructure funding status and strategies.
Output 3: Implementation of the Community Work Programme	<ul style="list-style-type: none"> Status and strategy to implement Community Work Programme in at least two wards..
Output 4: Actions supportive of the human settlement outcome	<ul style="list-style-type: none"> Role definition and co-ordination structure. Clear norms and standards for different types of settlement areas. Strategies to increase densities in key areas. Public Land release strategies. Human Settlement Funding Status and Strategies
Output 5: Deepen democracy through a refined Ward Committee Model	<ul style="list-style-type: none"> Status and policies towards Ward Committee Structures. Functionality of Ward Committee Structures (Strategies, Funding etc.)
Output 6: Administrative and financial capability	<ul style="list-style-type: none"> Audit Response Report. Strategies towards reducing municipal debts, CAPEX underspending & OPEX overspending. Strategies towards increase maintenance and repairs. Strategies combatting corruption.
Output 7: Single window of coordination	<ul style="list-style-type: none"> Strategies towards improved integration and co-ordination of delivery within the municipality. Strategies towards improved intergovernmental co-ordination.

Table 4: Millennium Development Goals

B.1.3. 2014-2019 Medium Term Strategic Framework

The purpose of the MTSF

This Medium Term Strategic Framework (MTSF) is Government's strategic plan for the 2014-2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the NDP. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for the other plans of national, provincial and local government.

The MTSF highlights Government's support for a competitive economy, creation of decent work opportunities and encouragement of investment. This is the first MTSF to follow the adoption of the NDP in September 2012. The introduction of a long-term plan brings greater coherence and continuity to the planning system and means that the MTSF now becomes a 5 five year building block towards the achievement of the vision and goals of the country's long-term plan.

The aim of the MTSF is to ensure policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes. Performance agreements

between the President and each Minister will reflect the relevant actions, indicators and targets set out in this MTSF.

Within the NDP vision, key policy instruments developed in the previous term will continue to drive government's policy agenda. These include the New Growth Path, which sets the trajectory of economic development, the National Infrastructure Plan, which guides the roll-out of infrastructure to improve people's lives and enable economic growth, and the Industrial Policy Action Plan, which focuses on promoting investment and competitiveness in leading sectors and industries. Government will also take forward key social development initiatives, including social security and retirement reform, National Health Insurance, improvements in basic education and expansion of technical and vocational education.

Strategic focus for the next five years

The NDP provides the framework for achieving the radical socio-economic agenda set out in the governing party's election manifesto. It recognises the need for a capable and developmental state, a thriving business sector and strong civil society institutions with shared and complementary responsibilities. It identifies decent work, education and the capacity of the state as particularly important priorities. It also highlights the need to improve the quality of administration of many government activities.

The 2014-2019 electoral mandate focuses on the following priorities:

- ∞ Radical economic transformation, rapid economic growth and job creation;
- ∞ Rural development, land and agrarian reform and food security;
- ∞ Ensuring access to adequate human settlements and quality basic services;
- ∞ Improving the quality of and expanding access to education and training;
- ∞ Ensuring quality health care and social security for all citizens;
- ∞ Fighting corruption and crime;
- ∞ Contributing to a better Africa and a better world; and
- ∞ Social cohesion and nation building.

In its focus on these priorities, and their elaboration into fourteen key outcomes and associated activities and targets, the MTSF has two over-arching strategic themes – radical economic transformation and improving service delivery.

Indaka as local sphere of government has developed its strategies aligned to each national key performance area (KPA) with a view to address the MTSF goals for the next five years.

B.1.4. National Development Plan 2030

The National Development Plan aims to eliminate poverty and reduce inequality by 2030. South Africa can realize these goals by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.

The National Planning Commission's Diagnostic Report, released in June 2011, set out South Africa's achievements and shortcomings since 1994. It identified a failure to implement policies and an absence of broad partnerships as the main reasons for slow progress, and set out nine primary challenges:

1. Too few people work
2. The quality of school education for black people is poor
3. Infrastructure is poorly located, inadequate and under-maintained
4. Spatial divides hobble inclusive development
5. The economy is unsustainably resource intensive
6. The public health system cannot meet demand or sustain quality
7. Public services are uneven and often of poor quality
8. Corruption levels are high
9. South Africa remains a divided society.

South Africans from all walks of life welcomed the diagnostic as a frank, constructive assessment. This led to the development of the draft national plan, released in November 2011. Building on the diagnostic, the plan added four thematic areas: rural economy, social protection, regional and world affairs, and community safety.

The plan focuses on the critical capabilities needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities.

Progress over the next two decades means doing things differently. Given the complexity of national development, the plan sets out six interlinked priorities:

- ∞ Uniting all South Africans around a common programme to achieve prosperity and equity.
- ∞ Promoting active citizenry to strengthen development, democracy and accountability.
- ∞ Bringing about faster economic growth, higher investment and greater labour absorption.
- ∞ Focusing on key capabilities of people and the state.
- ∞ Building a capable and developmental state.
- ∞ Encouraging strong leadership throughout society to work together to solve problems.

While the achievement of the objectives of the National Development Plan requires progress on a broad front, three priorities stand out:

- ∞ Raising employment through faster economic growth
- ∞ Improving the quality of education, skills development and innovation
- ∞ Building the capability of the state to play a developmental, transformative role.

A sustainable increase in employment will require a faster-growing economy and the removal of structural impediments, such as poor-quality education or spatial settlement patterns that exclude the majority. These are essential to achieving higher rates of investment and competitiveness, and expanding production and exports. Business, labour, communities and government will need to work together to achieve faster economic growth.

Social cohesion needs to anchor the strategy. If South Africa registers progress in deracialising ownership and control of the economy without reducing poverty and inequality, transformation will be superficial. Similarly, if poverty and inequality are reduced without demonstrably changed ownership patterns, the country's progress will be turbulent and tenuous.

Longer term interventions from the local authority need to take cognizance of the following:

- ∞ Promote mixed housing strategies and more compact urban development to help people access public spaces and facilities, state agencies, and work and business opportunities.
- ∞ Invest in public transport, which will benefit low-income households by facilitating mobility.

For infrastructure that supports human settlements (housing, water, sanitation, roads, parks and so on) the picture is unnecessarily complicated. The planning function is located at local level, the housing function is at provincial level, and the responsibility for water and electricity provision is split between those responsible for bulk services and reticulation. In practice, these arrangements do not work. In general, human settlements are badly planned, with little coordination between those installing water reticulation infrastructure and those responsible for providing bulk infrastructure.

Responsibility for housing should shift to the level at which planning is executed: the municipal level. The plan sets out recommendations for effective urban development. Local government faces several related challenges, including poor capacity, weak administrative systems, undue political interference in technical and administrative decision-making, and uneven fiscal capacity. The Commission believes that within the framework of the Constitution, there is more room for the asymmetric allocation of powers and functions and for more diversity in how developmental priorities are implemented. To achieve this, longer-term strategies are needed, including addressing capacity constraints, allowing more experimentation in institutional forms and working collaboratively with national and provincial government.

Reshaping South Africa's cities, towns and rural settlements is a complex, long-term project, requiring major reforms and political will. It is, however, a necessary project given the enormous social, environmental and financial costs imposed by existing spatial divides. The Commission proposes a national focus on spatial transformation across all geographic scales. Policies, plans and instruments are needed to reduce travel distances and costs, especially for poor households. By 2030, a larger proportion of the population should live closer to places of work, and the transport they use to commute should be safe, reliable and energy efficient.

This requires:

- ∞ Strong measures to prevent further development of housing in marginal places
- ∞ Increased urban densities to support public transport and reduce sprawl
- ∞ More reliable and affordable public transport and better coordination between various modes of transport Incentives and programmes to shift jobs and investments towards the dense townships on the urban edge
- ∞ Focused partnerships with the private sector to bridge the housing gap market.

Rural areas present particular challenges. Policies are required to bring households in these areas into the mainstream economy. There are rural areas, however, where transport links are good and where densification is taking place in the absence of effective land-use management and urban governance. These require urgent interventions.

B.1.5. KwaZulu-Natal Provincial Growth & Development Strategy (PGDS)

The National Development Plan (NDP) has successfully been unpacked into the more localized KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) and it is widely acknowledged that the PGDS fully complies to the intentions and targets of the NDP.

In response to the sustainability approach the province developed a Strategic Framework formulating seven (7) Strategic Goals and thirty (30) Strategic Objectives in support of the Key Priorities to achieve its desired 2030 growth and development vision as outlined in the diagram. Of note, is that these strategic goals and objectives manifest itself within a spatial and spatial context, hence the formulation of a Provincial Spatial Development Framework (PSDF) to guide and direct district and local level integration and alignment.

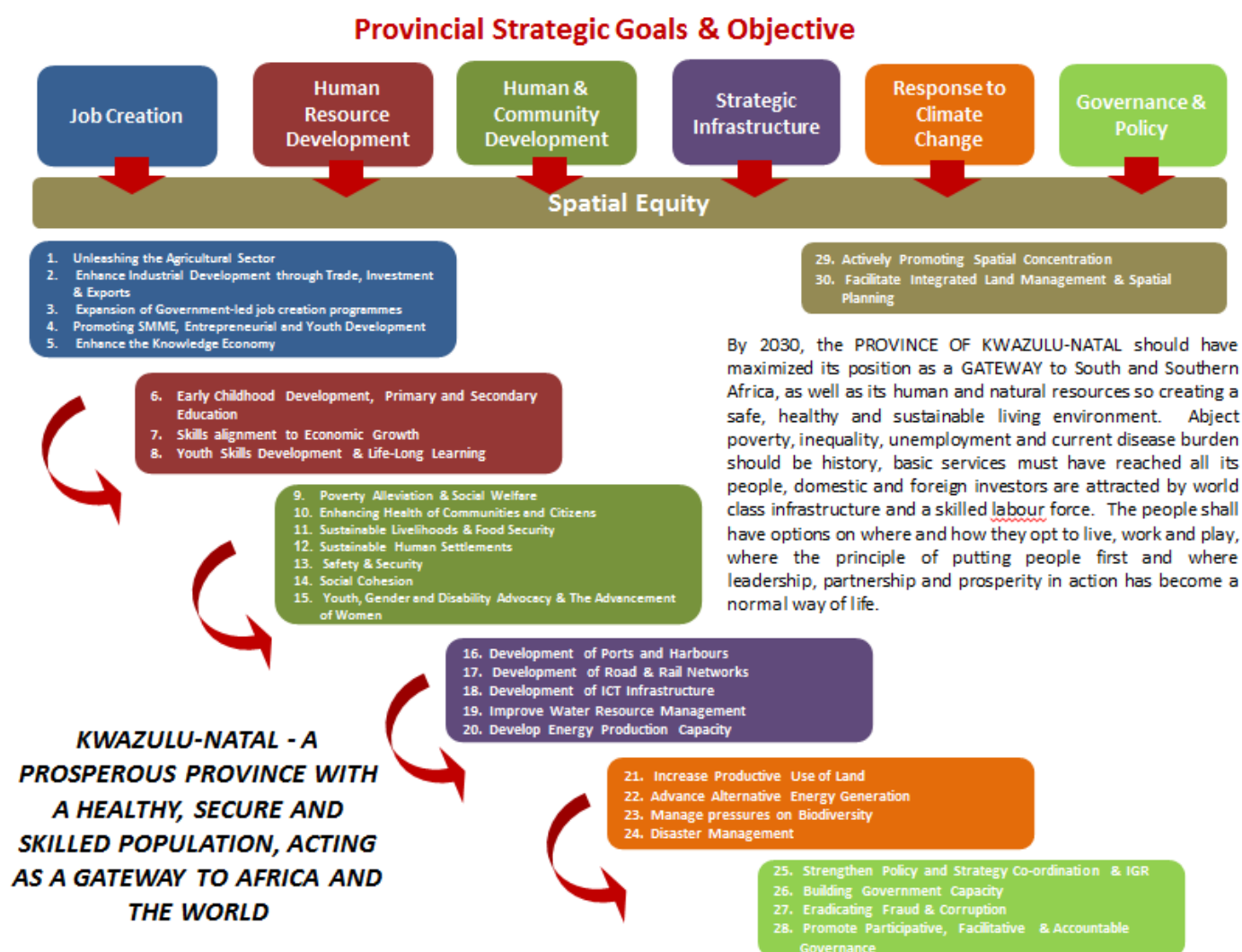
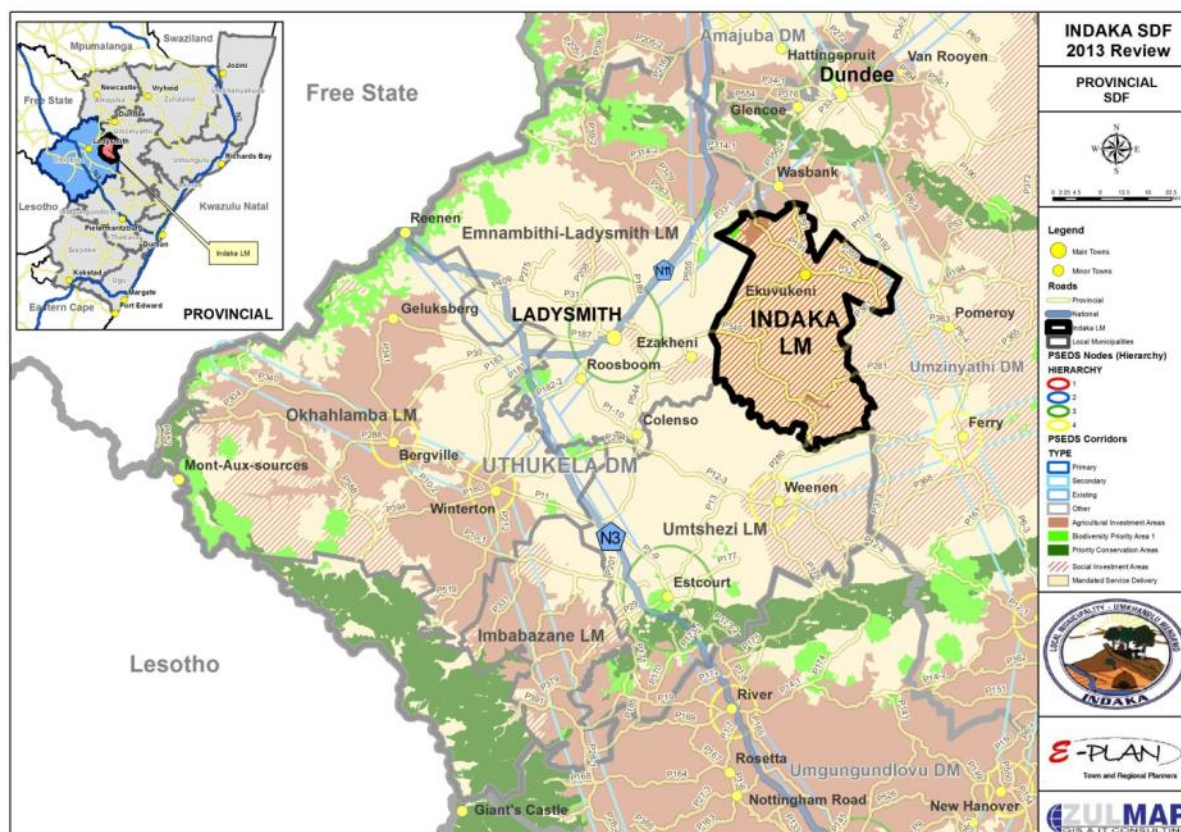


Figure 5: Provincial Strategic Goals & Objectives

(Refer to Section D for more details with regards to how Indaka have adopted this philosophy and its response in support of the strategic goals and objectives at local level)

As an integral part of the PGDS the KwaZulu-Natal Spatial Development Strategy was also formulated and the resulting spatial strategy for the uThukela district illustrated by the image below:

MAP 2: KZN Provincial Spatial Development Framework – Indaka Municipality



From the provincial spatial strategy it is evident that the entire Indaka Municipality is classified as a Social Investment Area, indicating an acknowledgement of the widespread poverty and limited economic base within the municipality. Only two small Economic Support Areas have been identified based on pockets of good agricultural land within the area.

Although the provincial spatial framework and its consideration of the Provincial Spatial Economic Development Strategy's (PSEDS) indicates provincial nodes and corridors, none have been identified within Indaka as provincially significant. Indaka is however in relatively close proximity to the Third Order nodes of Ladysmith and Dundee and the identified corridor between these two centres. It would therefore be advisable to focus on the linkages which could be achieved to these areas.

The Indaka Municipality has considered the National Spatial Development Perspective (NSDP), the current Provincial Growth & Development Strategy (PGDS), the Spatial Development Framework (SDF) and the Provincial Spatial Economic Development Perspective (PSEDS) 2006 *under review* to ensure that there is alignment between the all the planning and policy directives/imperatives and to ensure its IDP Sector Plans are aligned and integrated. The schematic diagram below demonstrates the vertical and horizontal alignment processes considered and followed in the formulation of the Indaka IDP.

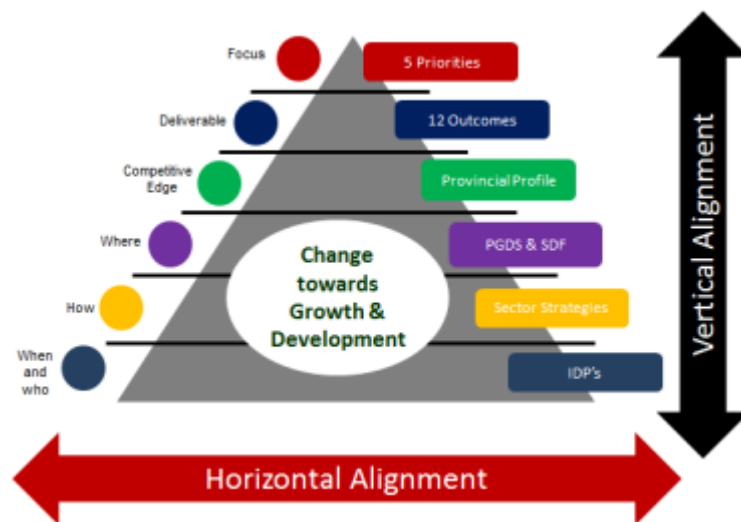


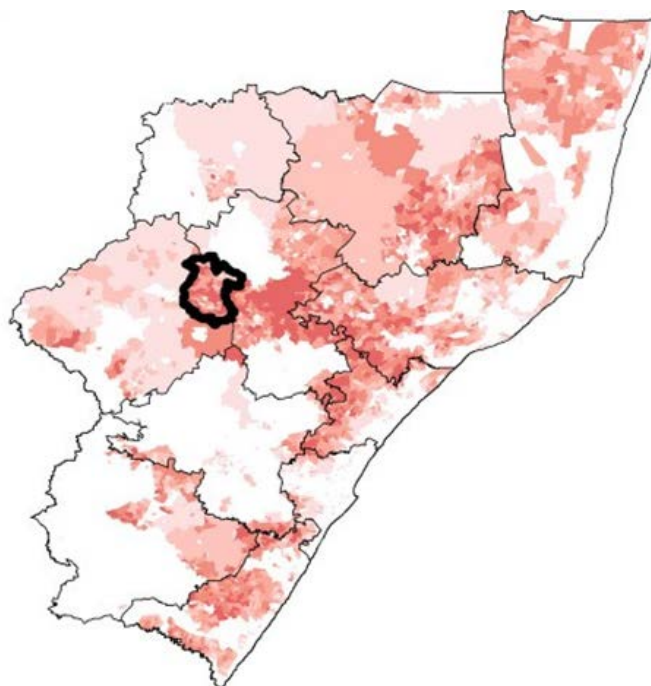
Figure 6: Alignment Processes Followed in the Formulation of the Indaka IDP

A classification of potential for the entire province and as it relates to Indaka Municipality is shown in the following brief overview:

Classification of Poverty/Need

Poverty levels measure the proportion of persons living below a certain living standard. Areas of high poverty thus have a large proportion of their population living below the poverty level. The highest levels of poverty and need are mainly concentrated within those areas previously forming part of the KwaZulu Natal homeland. The poverty levels in the province are illustrated in the following map.

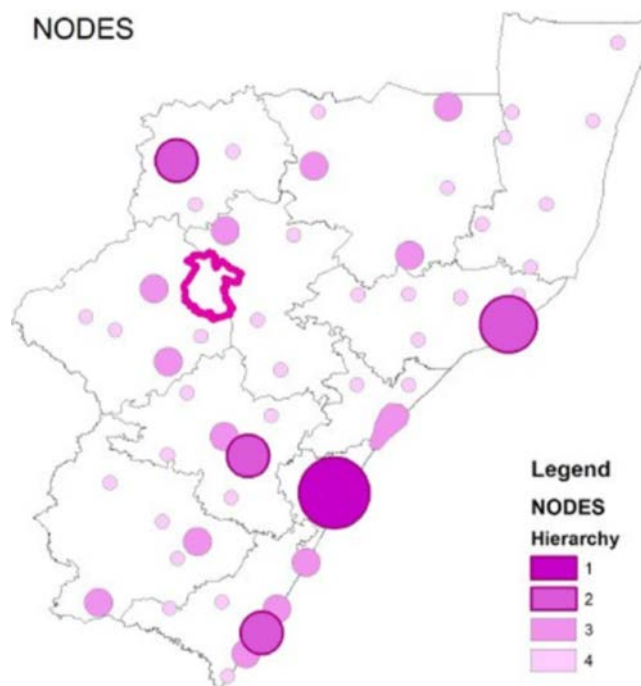
MAP 3 PGDS Classification of poverty/need



Service Centres

The Provincial Spatial Economic Development Strategy takes the implications of the importance of the service sector in most districts into account. Many of the smaller rural centres and towns represent important centres of service, and particularly government activity. The PSEDS builds on the concept of developing a comprehensive network of centres throughout the province which would support the delivery of services. Services delivered would be determined by various nodes according to a hierarchy of places. In identifying the hierarchy of places existing service centres are strengthened but, more importantly, new or emerging service centres are developed.

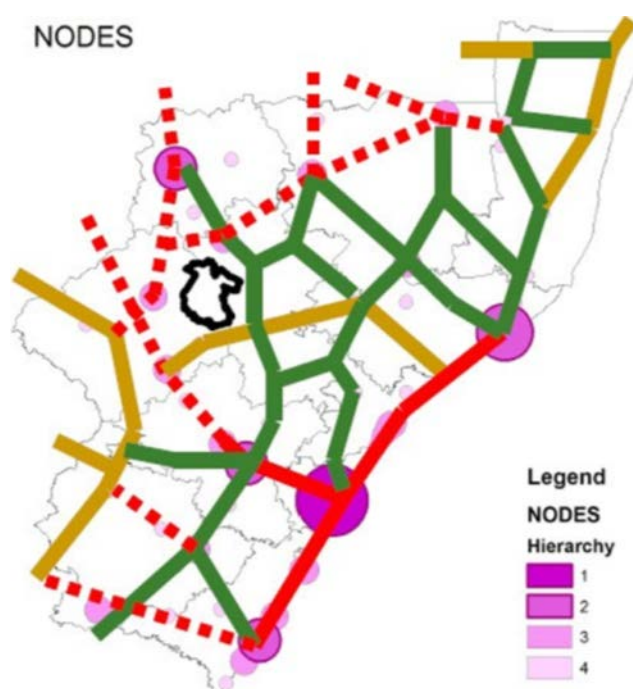
MAP 4 PGDS Service Centres



Development/Activity Corridors

Economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or link the main growth centres. The PSEDS thus does not attempt to identify a functional hierarchy of transport logistics corridors or routes throughout the province. Instead it focuses its attention on activity/development corridors. These development corridors are not intended to be the basis for a transport logistics network. It is however essential that the development corridors are adequately served by appropriate transport and logistics infrastructure.

MAP 5 PGDS Development/Activity Nodes

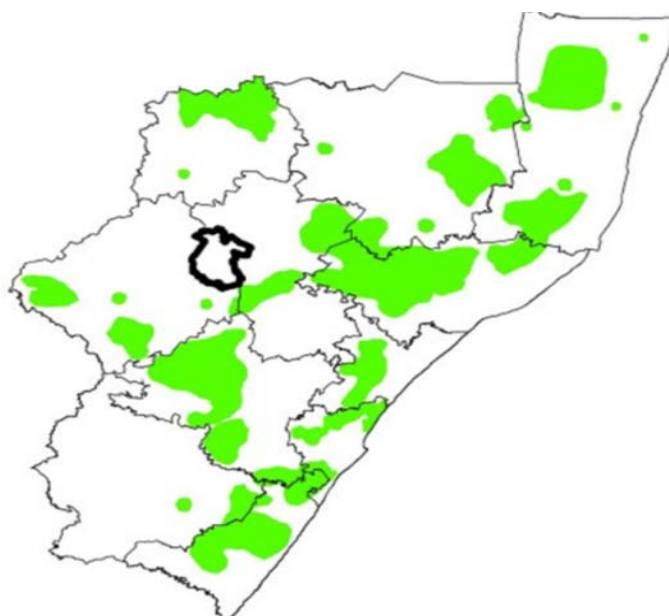


Agriculture and Agri-Processing

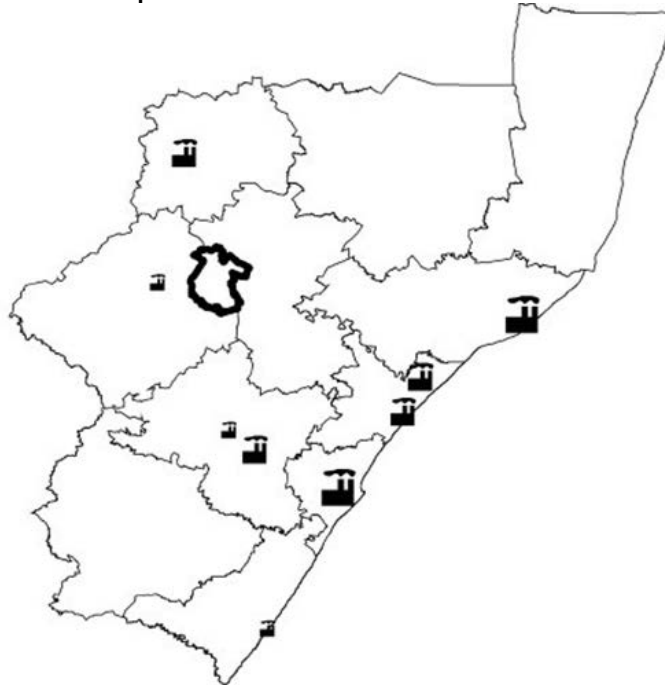
This sector is key to addressing poverty in the province since most areas of poverty are rural. Its contribution to the provincial economy is currently small but it has the potential to increase this contribution significantly if its full potential were realized. The commercial agriculture sector is the major employer in the majority of municipalities and forms the economic anchor of these municipalities. Subsistence agriculture is by far the most important source of sustenance for rural households. In order to achieve a reduction of unemployment and poverty the challenge is to grow and transform the commercial agricultural sector.

The accompanying map depicts areas in the province which have been identified with the highest potential agricultural and agri-processing potential.

MAP 6 PGDS Agricultural Potential



MAP 7 PGDS Industrial Development



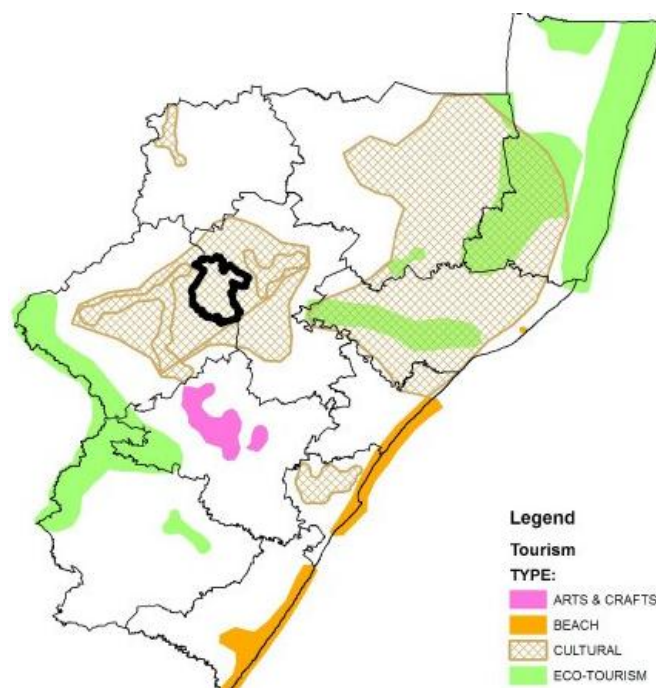
TOURISM DEVELOPMENT

The primary tourism potential within the province is in the beach tourism cultural tourism and eco-tourism markets. The areas of national tourism importance within the province are the Southern Zululand and Dolphin Coast, the Elephant Coast and surrounds, the greater Pietermaritzburg and Durban region, and the Drakensberg region. The tourism products of provincial importance are:

- ∞ Arts & crafts routes in Midlands Meander and Albert Falls Amble
- ∞ Durban, south coast and north coast beach tourism linked to cultural tourism in the interior
- ∞ Drakensberg region
- ∞ Greater St Lucia & surrounding big five reserves
- ∞ Zulu Heritage & Cultural Trail
- ∞ Battlefields Route

It can be seen from the map that the municipality features on a provincial scale with cultural tourism potential.

MAP 8 PGDS Tourism Development



B.1.6. KZN Provincial Growth and Development Plan (PGDP)

From Strategy to Plan After a broad consultation process, the PGDS was adopted by KZN Cabinet in August 2011, and Cabinet mandated the KZN PPC to prepare an implementation plan in the form of a Provincial Growth and Development Plan (PGDP). It was also noted that the PGDS and the PGDP should be in alignment with the National Development Plan being prepared by the National Planning Commission.

Whereas the Provincial Growth and Development Strategy sets the 2030 Vision for the Province as well as the Strategic Goals and Objectives that will drive the Strategy, the Provincial Growth and Development Plan sets out to describe the desired outcomes in respect of each Strategic Objective.

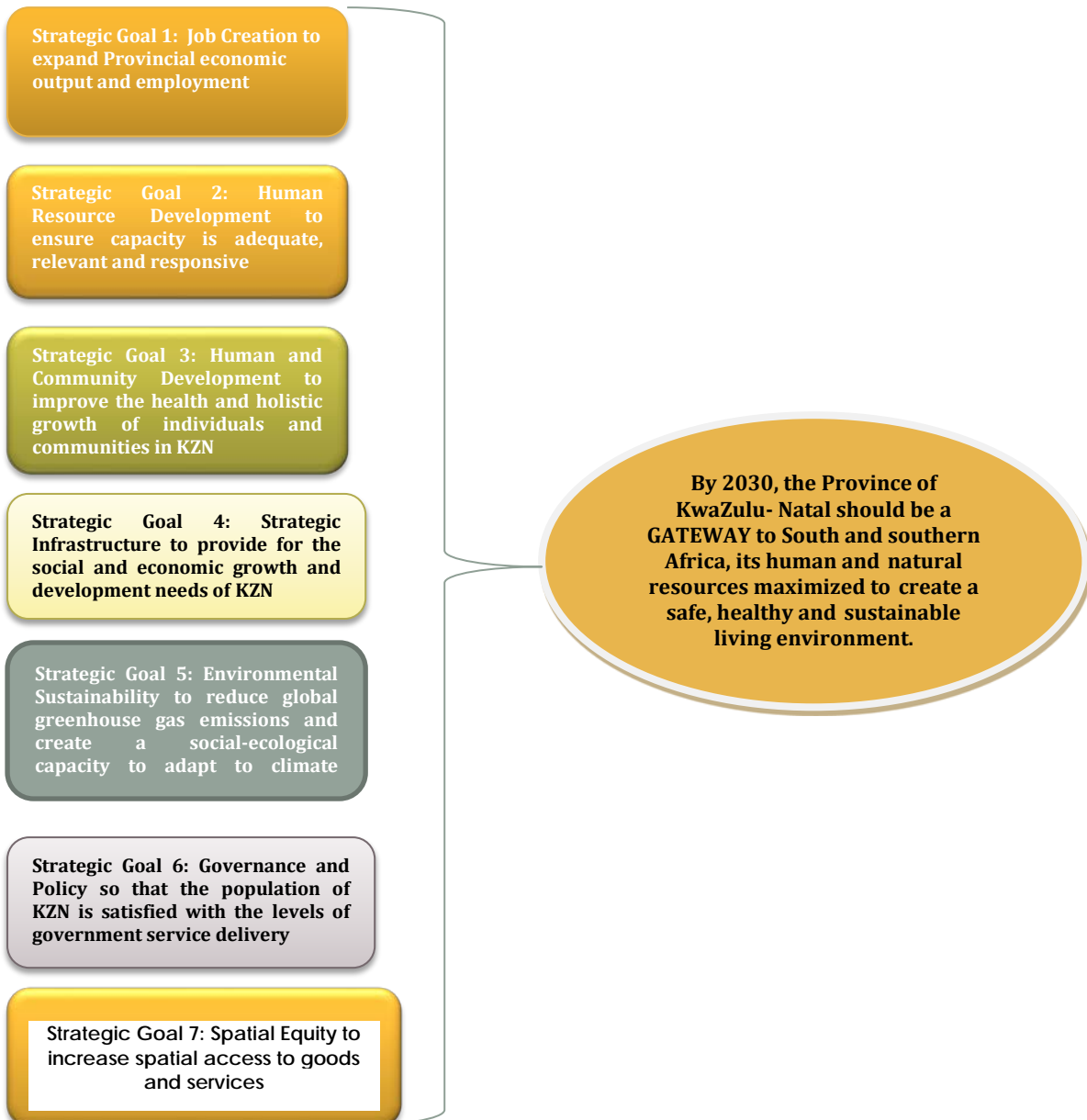
The Commission's mandate is to drive and direct growth and development and this requires that 'desired outcomes' should be clearly defined for all the strategic goal areas. Province wanted to be able to measure or monitor its progress in achieving the goals and objectives. This meant that the Commission and government departments in consultation with social partners had to agree on a set of measurements: indicators of performance. To make it thorough, the process also came up with targets: what should be measured and what should be achieved. The PGDP is in fact a framework for monitoring the achievement of the strategy.

Each strategic goal area has an overall measure of success – 'apex indicator' is the term used. Each strategic objective has a set of 'primary indicators' – the main measurements relevant to successful achievement in that area. In addition, there are sets of 'secondary indicators' – which measure actions related to the achievement of the objective.

A set of interventions is proposed for each objective. These are not exhaustive, but are meant to put in place the conditions for success. They will be one of the subjects for consultations going forward. Because it is a 20 year plan, the measurements or indicators are set in five yearly intervals; setting targets for 2015, 2020, 2025 and 2030. All the above add up to a 'growth trajectory' for the province.

Large scale strategic Interventions or ‘catalytic projects’ have been identified, these are projects that will receive priority attention and support, based on the potential and scale of these projects to fast track achieving PGDS Goals and Objectives.

7 PGDP's Strategic Goals



B.1.7. State of the Nation Address

The State of the Nation Address as delivered by the State President during 2015 highlights the achievements over the past 20 years since the dawn of democracy, while acknowledging that more needs to be done to tackle growing youth unemployment.

The president highlighted 9 points plan which seeks to ignite growth and create jobs

- i. Resolving the energy challenge;
- ii. Revitalising agriculture and the agro-processing value chain;
- iii. Advancing beneficiation or adding value to our mineral wealth;
- iv. More effective implementation of a higher impact Industrial Policy Action Plan;
- v. Encouraging private sector investment;
- vi. Moderating workplace conflict;
- vii. Unlocking potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises;
- viii. State reform and boosting the role of state owned companies, information and communication technology (ICT) infrastructure or broadband roll-out, water, sanitation and transport infrastructure as well as
- ix. Operation Phakisa aimed at growing the ocean economy and other sectors.

The President also emphasised the need for inculcating the new national identity through promoting national anthem, national flag and the preamble of the Constitution of the country. The Municipality will also push this national pride and identity through the public participation processes wherein the national anthem will be sang.

It was also emphasised that the global economy was experiencing difficult phases as International Monetary Fund (IMF) revised down the global economic growth to 3.5%. That downward revision has an impact in the country's 5% economic growth ambition by 2019.

The President also touched upon a very important topic of Employment Tax Incentives (ETI) which is directed in companies to employ more young people to curb the high unemployment rate among young people of this country.

The Working on Waste, Working on Fire, Working for Wetlands, Working for Water has created 30 000 job opportunities to date with an aim of increasing numbers to 60 000 in the next financial year.

The President touched the important subject which is energy shortages which is caused by low energy generation capacity because of the power stations that must undergone maintenance. The completion of three power stations i.e. Ingula, Kusile and Medupi will contribute 10 000 megawatts to the national grid. The country must also look into other alternative energy sources available.

The issue of land claims was also highlighted and the reminder that the lodgement of claims has been opened until 2019. The government is exploring a 50/50 policy framework which seeks to give people living and working on farms a 50% stake on the farm. That project will be piloted.

On agricultural front the President said that they are working with private sector to develop an Agricultural Policy Action Plan which will bring one million hectares of under-utilised land into full production over the next three years.

30% will be set aside for the procurement in appropriate categories by state from SMMEs, cooperatives as well as township and rural enterprises. Government has decided to designate Telkom as the lead agency to assist with the broadband roll-out.

Government through the Department of Water and Sanitation will train 15 000 artisans or plumbers to fix leaking taps in their local communities.

The President touched on the Back to Basics concept which is a programme seek to promote good governance and effective administration through cutting wastages, spending on public funds prudently, hiring competent staff and ensure transparency and accountability in municipalities.

B.1.8. State of the Province Address

The State of the Province address was delivered by the Premier; The Honourable Mr. SE Mchunu who presented a clear picture of a province that has undergone an amazing metamorphosis from being a byword for underdevelopment to a thriving place for best practice and prosperity.

The Premier reminded the House that the National Development Plan marks its five year implementation cycle together with the Provincial Growth and Development Plan (PGDP). This signalled that these Plans are now ushering into their first year of the second five year term to 2020.

The KZN Government is committed to the vision, goals and targets as set forth in the NDP and the PDGP. These Plans are also aligned with the outcomes as expressed in the Medium Term Strategic Framework (MTSF).

In the infrastructural projects, the Department of Public Works as entrusted with the mandate of implementing infrastructural development projects has completed 49 schools, 13 hospitals and 16 clinics. The infrastructural budget across all 10 government departments is R10, 6 billion.

The Provincial government has strived to achieve the 100days milestones since the inauguration of the new provincial government but those targets not met will be escalated to 360days initiative.

The Premier highlighted these areas of concern:

- ∞ The province is still engulfed by poverty and inequality. The statistics show that there are people in this province who still live below the poverty line of R318 per month despite the government target of reducing the figure to 18% this year;
- ∞ Slow pace of land restitution through “willing buyer, willing seller principle”; and
- ∞ Disturbing increase in crime related murder, attempted murder, assault, arson, stock theft and other related crimes.

Primary focus over the next five years:

- ∞ Creation of more jobs, decent work and sustainable livelihoods for inclusive growth;
- ∞ Rural development, land reform and food security;
- ∞ Improved quality basic education;
- ∞ A long and healthy life for all South Africans; and

- ∞ Fighting crime and corruption.

These National Priorities, and for that matter all 14 Outcomes of the NDP remain the foundation of the PGDP.

On the economic front the KZN government is aware of the 7 National Priority Economic Intervention which entails the following:

- ∞ Resolving the energy crises and enhancing energy mix;
- ∞ Moderating workplace conflict;
- ∞ Revitalising the agriculture value chain;
- ∞ Targeted support for metal/engineering value chain;
- ∞ Economic development and private sector;
- ∞ Unlocking SMMEs and co-operatives potential; and
- ∞ Consolidating ICT through the Telecommunication sector-roll out of broadband.

Based on a deep understanding of the fact that the eradication of poverty and inequality is not just a social matter, but a matter that requires a comprehensive and holistic approach from all sectors, we initiated the KZN Poverty Eradication Strategy process in 2014. As a first step in this process we applied the Operation Phakisa Labs approach to develop a Poverty Eradication Master Plan (PEMP), which was approved the Provincial Executive Council on 3 December 2014 and further adopted by our Lekgotla on 20 February 2015. The PEMP is bold and multi-pronged plan for eradicating poverty in the Province and giving dignity to our people.

The masterplan comprises five key strategies or game changers, namely:

- ∞ Social security and housing, where the focus is on improving Child Health Outcomes, Improving access to quality Education, Uplifting Living Standards, Food and Nutrition Security, Social Security, as well as Community Mobilization and Development.
- ∞ Agriculture development, by adopting, adapting and fast-tracking the Fetsa- Tlala approach to ensure household food security, linking mechanisation to entrepreneurship, commercialisation of livestock on communal land; revitalisation of land reform farms; promotion of agriculture cooperatives and agribusiness youth empowerment.
- ∞ Enterprise Development through opportunities presented in waste management, construction, processing plants, rural renewable energy, mining and business support.
- ∞ Employment Creation with specific emphasis on rural infrastructure development revamped expanded public works programme, rural tourism and communal milling stations.
- ∞ Skills Development, in particular to address issues of early childhood development, primary and secondary schools education improvement, skills alignment to economic growth, artisan development, and youth skills development and lifelong learning.

B.1.9. Back to Basics (B2B) Policy

The Minister of Corporative Governance and Traditional Affairs has introduced a new concept which compels the municipalities to speed u delivering of services to their communities.

Priority 1: Get all municipalities out of a dysfunctional state and at the very least able to perform the basic functions of local government. We will do this through enforcement of current policies and legislation, and systematically managing performance and accountability, and enforcement of the system for managing consequences. Minimum performance requirements include ensuring the proper functioning of council structures and council processes, and the provision of basic services.

Priority 2: Support municipalities that are at a minimum basic level of performance to progress to a higher path. Here the focus will be on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. The oversight system for local government must be improved through creating real-time monitoring systems. A targeted, vigorous and brisk response must ensure that corruption and fraud are rooted out. Measures will be taken to ensure that municipalities engage with their communities. Support measures will be put in place to create an enabling environment for local economic development to stimulate competitive, inclusive and sustainable economies.

Priority 3: Support and incentivise municipalities that are performing well to remain there. Given that in these municipalities the basics are largely in place, the main focus here will be on transforming the local space economy and integrating and densifying our communities to improve sustainability. In this regard, the Integrated Urban Development Framework provides an important building block. The National Spatial Development Framework must be developed to ensure effective alignment of our national economic, environment and social programmes with those of our municipalities. We will develop innovative ways to incentivise those municipalities doing well.

This policy has five fundamental pillars which are as follows"

- ∞ Good governance;
- ∞ Putting people first;
- ∞ Creating conditions for decent living;
- ∞ Sound financial management; and
- ∞ Building capable institutions and administrations.

Indaka Municipality has been identified as one that has challenges in terms of provision of services to people. The Action Plan has been developed in assistance with the provincial B2B team from CoGTA. The Municipality is reporting monthly to National DCOGTA and quarterly to provincial COGTA as per requested.

The Councillors, the Municipal Management and the B2B Champions identified in the Municipality have been trained on the concept and the reporting is done accordingly.

SECTION C: SITUATIONAL ANALYSIS

C.1. Demographic Characteristics

C.1.1. Key Findings of Demographic Trends

The Census Data indicates that the population of the Indaka Municipality had decreased from 113,644 people in 2001 to 103,116 people in 2011. The 2011 figures indicate a population decline of -10.2% between 2001 and 2011.

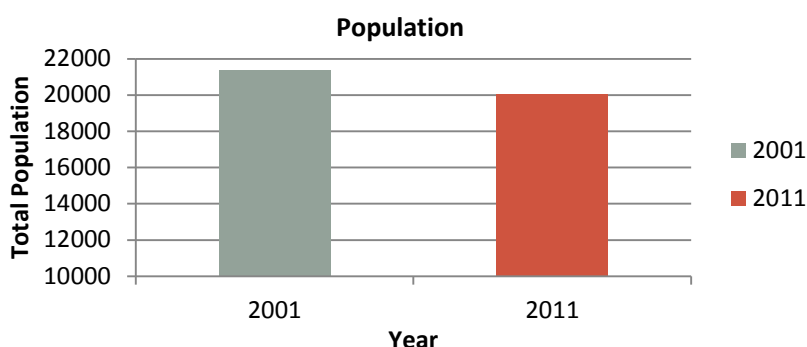


Figure 7: Indaka Population 2001-2011 (Stats SA 2011)

Population composition	2001	2011
Young (0-14)	51,488	44,424
Working age (15-64)	56,268	53,227
Elderly (65+)	5,888	5,512
Dependency ratio	100	92
Disabled (%)	7%	10%

Population groups	2001	2011
Black African	113,587	102,723
Coloured	20	93
White	35	70
Indian/Asian	2	187

Figure...: Indaka Population density and groupings (Stats 2011)

In 2011, the number of males was 46,509 as opposed to 56,607 females and this is particularly noticeable from the 20 to 49 year age group which indicates a high level of out-migration of men in the economically active population. In terms of the elderly there are 5,510 over the age of 65, which is 5.3% of the total population. In terms of the potential economically active population age group (working age group) 38.4% of the population fall within the age group 20 to 65 years. In terms of children below the age of 20, there are 58,026 children which is 56.3% of the total population. This indicates a very high number of dependent children who are dependent on a largely female economically active population.

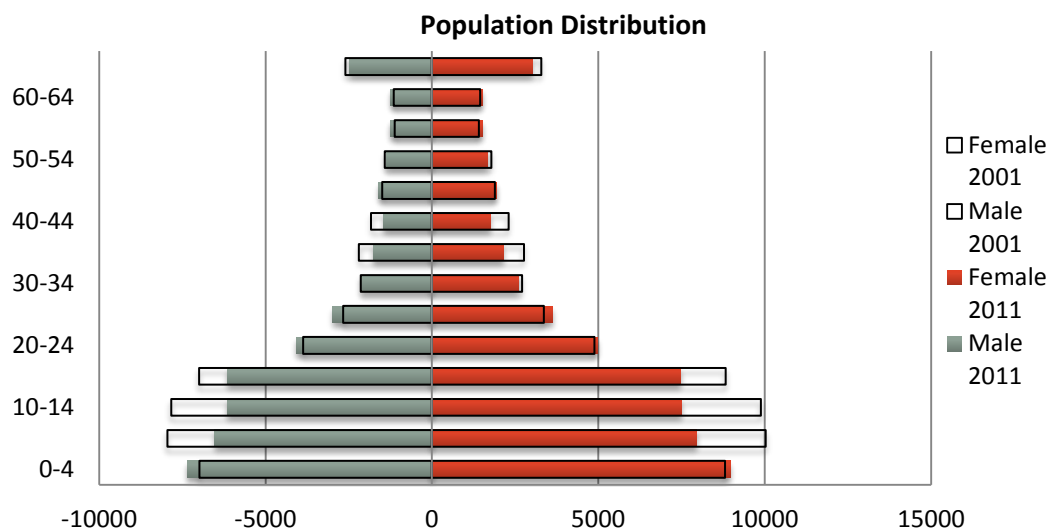


Figure 8: Indaka Population Age Distribution 2001-2011(Stats SA 2011)

It is important to understand the population dynamics in order to determine backlogs and facilitate spatial and other planning, budgeting and policy formulation for the provision and development of infrastructure for social services including human settlements, medical and educational facilities.

As mentioned before, the income levels, linked to economic opportunities, are very low. The greatest majority of residents enjoy no income, with a relatively large proportion of the economically active people in the municipality which earn between R4, 801 and R9, 600 per annum. This amount correlates with the average amounts for social grants and it is assumed that this is an indication of the high levels of economic and social dependencies in the municipality. See figure 6

The education levels in the municipality indicate that the largest proportion of residents (more than 50%, or approximately 64,309) have some primary schooling or no schooling. It is accepted that this is because of the demographic structure of the municipality, indicating that the majority of residents in the municipality are young people (under the age of 20 years). Notwithstanding, the general education levels in the municipality are very low, with only a handful of residents being in possession of tertiary education qualifications.

The largest portion of the employed in the Indaka Municipality is found in the occupation sector of technical and associated professionals (20%). Elementary occupations are the second largest employment sector in the municipality, with 17% of the employed active in this sector. Of note is the low number of professionals (which include teachers, health workers, managers, and other professionals). This also serves as a contributing factor to the high levels of poverty in the municipal area, through various social and economic downstream effects.

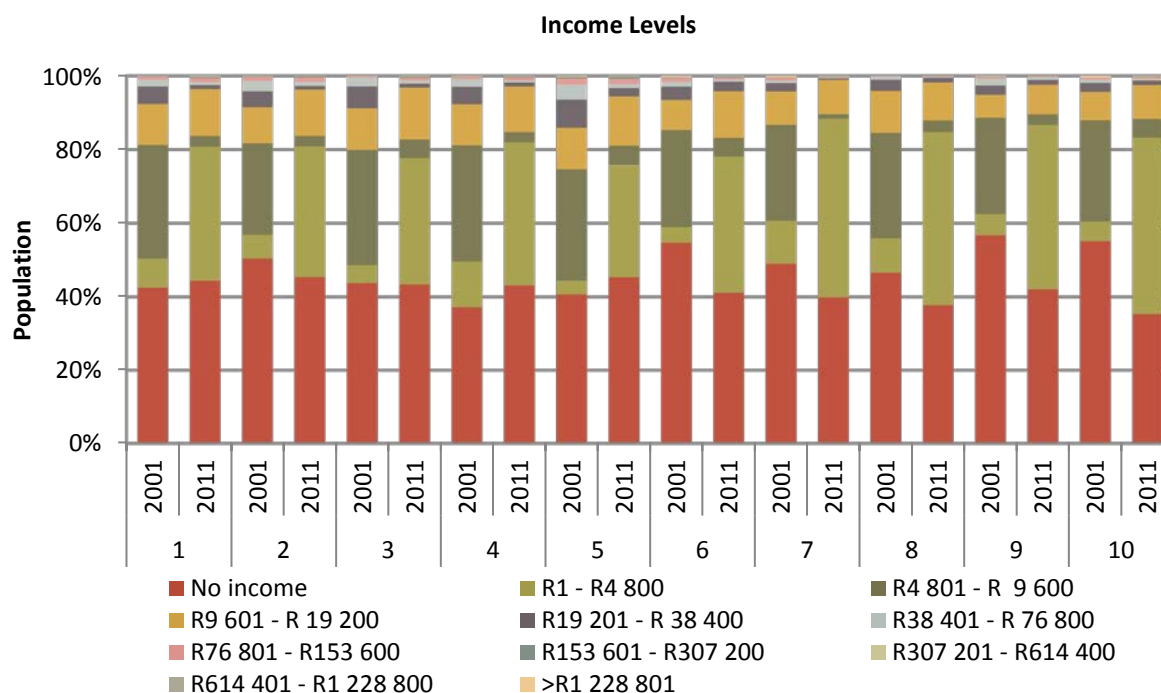


Figure 9: Levels of Income per Ward (Stats SA 2011)

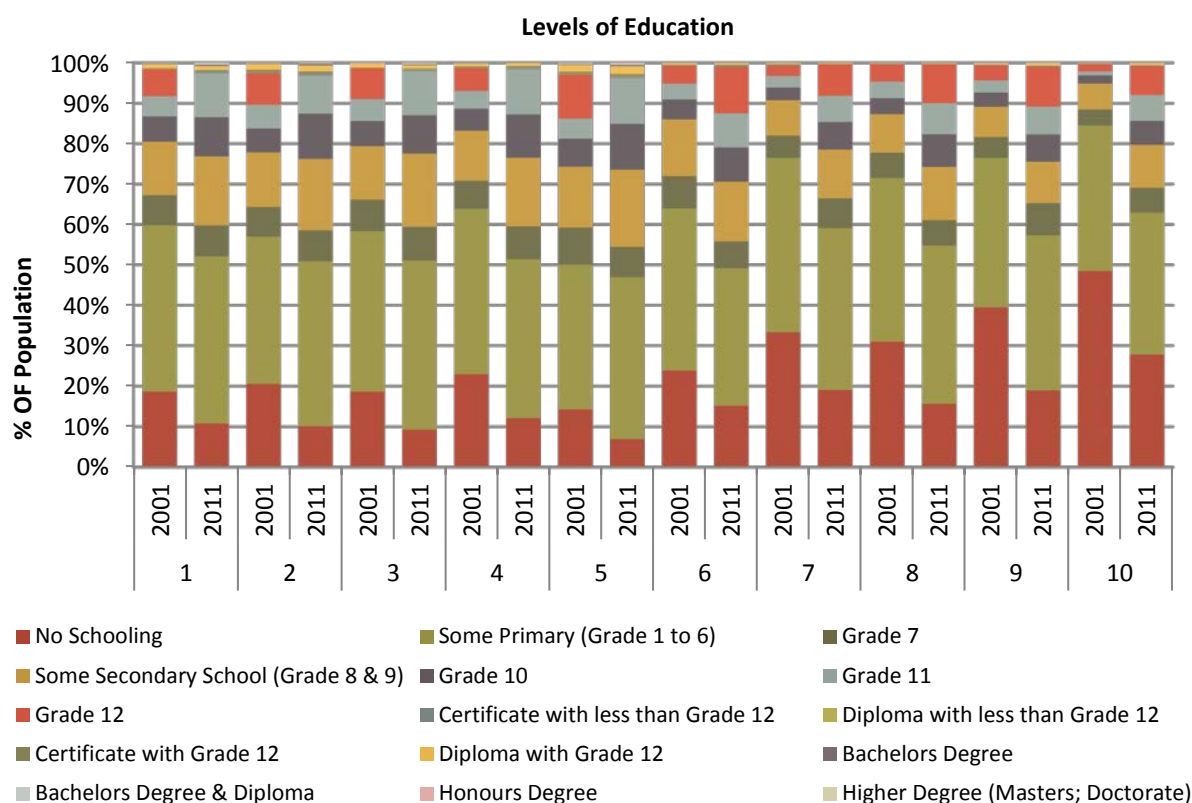
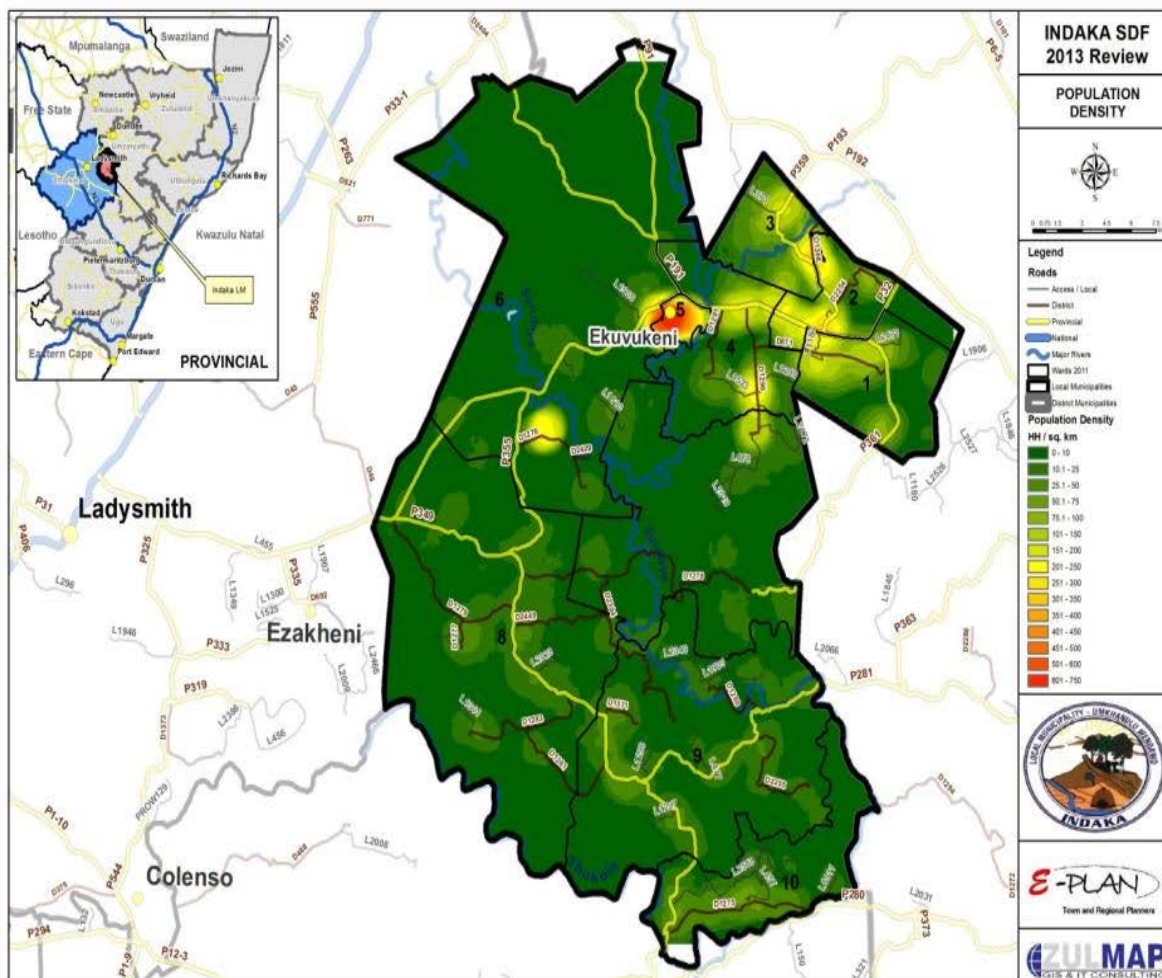


Figure 10: Levels of Education per Ward (Stats SA 2011)

C.1.2. Spatial Distribution of Population

The municipality has a fairly low average population density with the expected high density areas of the primary node and the traditional authority areas. This pattern has a positive effect on service delivery as the higher the density the more economical can service delivery be done.

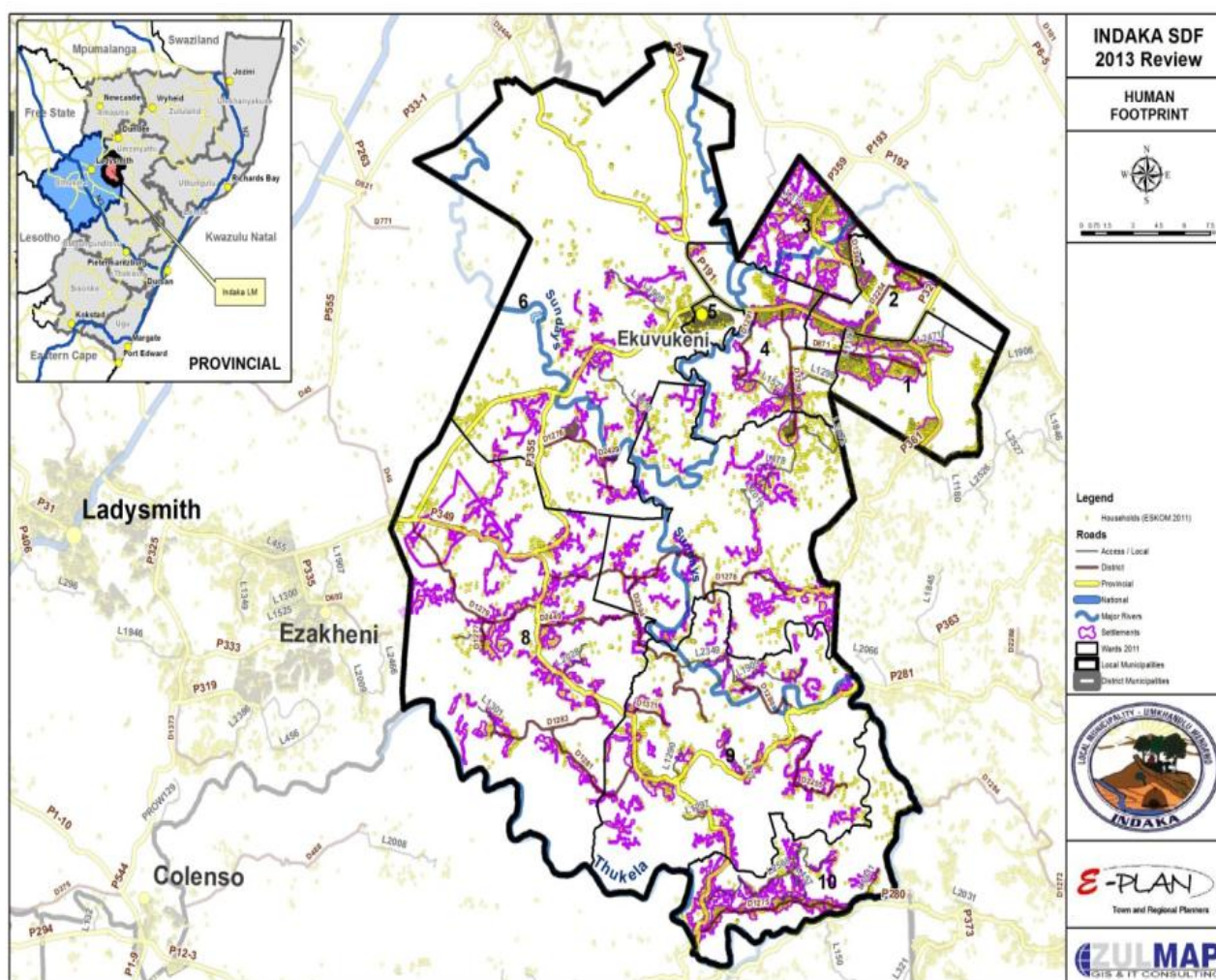
MAP 9: Population Density in Indaka Local Municipality



Human Footprint

The human footprint in the municipality has been derived from the household count of the ESKOM where all households were captured from 2011 aerial photographs. The correlation with the population density is obvious but this map drills down to a less general level and indicates the overall population/household distribution. The map below indicates the human footprint in the municipal area.

MAP 10: Human Footprint in Indaka Local Municipality



Agricultural Potential of Indaka Municipality

Commercial agriculture in Indaka municipality occupies 20% of the municipal area, or 198 square kilometres. The main farming activities include grain, vegetables, seed, table potatoes and pastures for dairy and semi-intensive mutton and beef production. As already stated, these are subsistence farming activities. The municipality reflects good agricultural zones, moderate and grazing zones. These are briefly explained below.

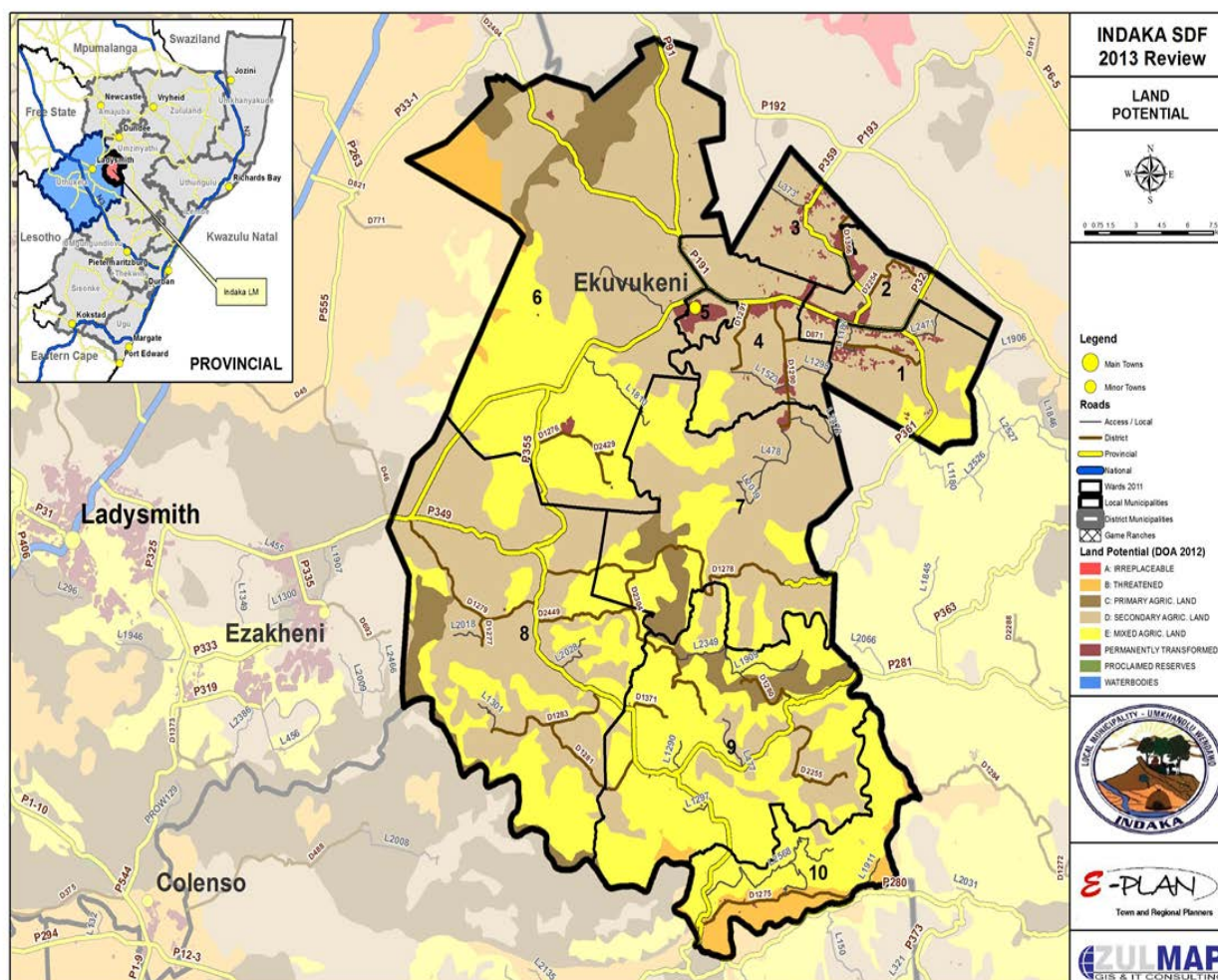
Good Potential Agricultural Land – has been identified on the northern parts of the municipality. According to the recent land audit there are large hectares of good potential agricultural land, which is currently underutilized within the northern parts of Indaka.

Moderate Agricultural Potential – most land within the northern and central parts of the municipality has moderate agricultural potential and it is currently vacant and unoccupied which presents an opportunity for agricultural production amongst the individuals to own and occupy that land once the land claims have been settled.

Grazing and Stock Farming – most of the land within the Traditional Authority Areas has a steep gradient and a low agricultural potential in terms of crop production. The alternative agricultural activities that can be used for this area should be stock farming or grazing, as suggested in the municipality's IDP as well as the LED strategy.

Following the above characterization, the Spatial Development Framework (2013) points out the specific areas which form the primary agricultural areas (wards 6, 7, 8 and 9) secondary agricultural areas (parts of wards 1, 2, 3, 4, 5, 6 and 7) and mixed agricultural zone (predominantly wards 6, 9 and 10, and scattered parts of wards 1, 4, 7 and 8). The largest piece of arable land is a mixed agricultural zone. This land potential is illustrated below (Brick brown represents the primary agriculture zone, tan brown represents the secondary agriculture zone, yellow represents mixed agricultural zone)

Figure 11: Land Potential in Indaka Municipality



Source: Indaka Municipality Spatial Development Framework (2013)

In spite of the above mentioned potential, the removal of subsidies in 1994 influenced farmers in Indaka municipality to review their farming models. While some have sold their farms, others have leased out their farms while others now produce for specific markets. Unfortunately for others, the farms are dormant and unutilised. Other challenges include theft of livestock and slow pace of land reform implementation

Crop potential at Indaka

SITE NAME AND SIZE	LOCATION	TYPE OF CROP
Oqungweni 1 (45ha)	It is situated on the plateau above the Mahlokoma River, within the Mhlumayo complex	Coast cross and Smuts finger grass
Oqungweni 2 (32ha)	It is situated on the bottom of the plateau adjacent to Mahlokoma River, within the Mhlumayo complex	Coast cross, Cowpeas for hay, Cowpeas for seed, Maize dryland, Smuts finger grass, Sorghum dryland and Sunflowers.
Mangweni/Mahlokoma (20ha)	This site is located on the lower reaches of the Sundays River, within the Mhlumayo complex.	Cabbage, Carrots, Carrots, Coast cross, Cowpeas for hay, Cowpeas for seed, Lucerne, Maize dryland, Maize irrigated, Potatoes, Smuts, Sorghum dryland, Sorghum, Soyas, Sunflower and Tomatoes.
Kwanogejane (50ha)	This site is located on the eastern boundary of the Indaka Municipality on the road that leads to Tugela Ferry. Arable lands are located on both sides of the road in the vicinity of the bridge crossing the Sundays River. This are falls within the Mhlumayo complex.	Cabbage, Carrots, Carrots, Coast cross, Cowpeas, Cowpeas for seed, Lucerne, Maize dryland, Maize irrigated, Potatoes, Smuts, Sorghum dryland, Sorghum, Soyas, Sunflower, Tomatoes.
Nhlambamasoka plateau (6ha)	This site is located within the Mhlumayo complex. It is a dryland site located on a plateau in the south-eastern portion of the Municipal area.	Coast cross, Cowpeas for hay, Cowpeas for seed, Maize dryland, Smuts finger grass, Sorghum dryland and sunflower.
Mahlutshini 1 (40ha)	This site is centrally located within the Indaka Municipality, within Ward 7 and is situated on the Sundays River. It falls within the Mhlumayo complex.	Cabbage, Carrots, Carrots, Coastcross, Cowpeas for hay, Cowpeas for seed, Lucerne, Maize dryland, Maize irrigated, Potatoes, Smuts, sorghum dryland, Sorghum irrigated, Soyas irrigated, Sunflower and Tomatoes
Somsuku (6ha)	This site is located in the vicinity of Vaalkop, in the northern-central parts of Indaka Municipality. It falls within the Limehill complex.	Cabbages, Carrots, Coastcross, Cowpeas, Lucerne, Maize dryland, Maize irrigated, Oats irrigated, Potatoes, Ryegrass Annual planted, Smuts finger grass, Sorghum dryland, Soyas irrigated, Sunflower, Tomatoes and Wheat.

C.1.3

Key Findings

- ∞ There was 10% decline of population recorded from 2001 to 2011;
- ∞ Decrease in dependency ratio from 100% to 92%;
- ∞ Increase in other population groups e.g. Coloureds from 20 to 92; Whites from 35 to 70 and Indians/Asians from 2 to 187;
- ∞ 1% of the population have formal education;
- ∞ Out-migration of men in their working age;
- ∞ Majority of the population enjoys no income;
- ∞ There is a positive correlation between population density and more serviced areas like Ekuvukeni/Uitval complex as compared to Mhlumayo complex.
- ∞ Indaka Municipality has the agricultural potential that needs to be unlocked for the benefit of the community.

C.2. CROSS CUTTING ISSUES (SPATIAL, ENVIRONMENTAL & DISASTER MANAGEMENT)

C.2.1. Spatial allocation of Indaka Municipality

Indaka Municipality is one of the five local Municipalities situated in the Uthukela District Municipality. The uThukela District consists of five Local Municipalities namely: Indaka, Emnambithi/Ladysmith, Umtshezi, Okhahlamba and Imbabazane. The Indaka Municipality is a newly established municipality (established 18 December 2000), without a well-established economic centre. It shares borders with Emnambithi, Endumeni, Msinga and Umtshezi municipalities and is situated 49 km East of Ladysmith.

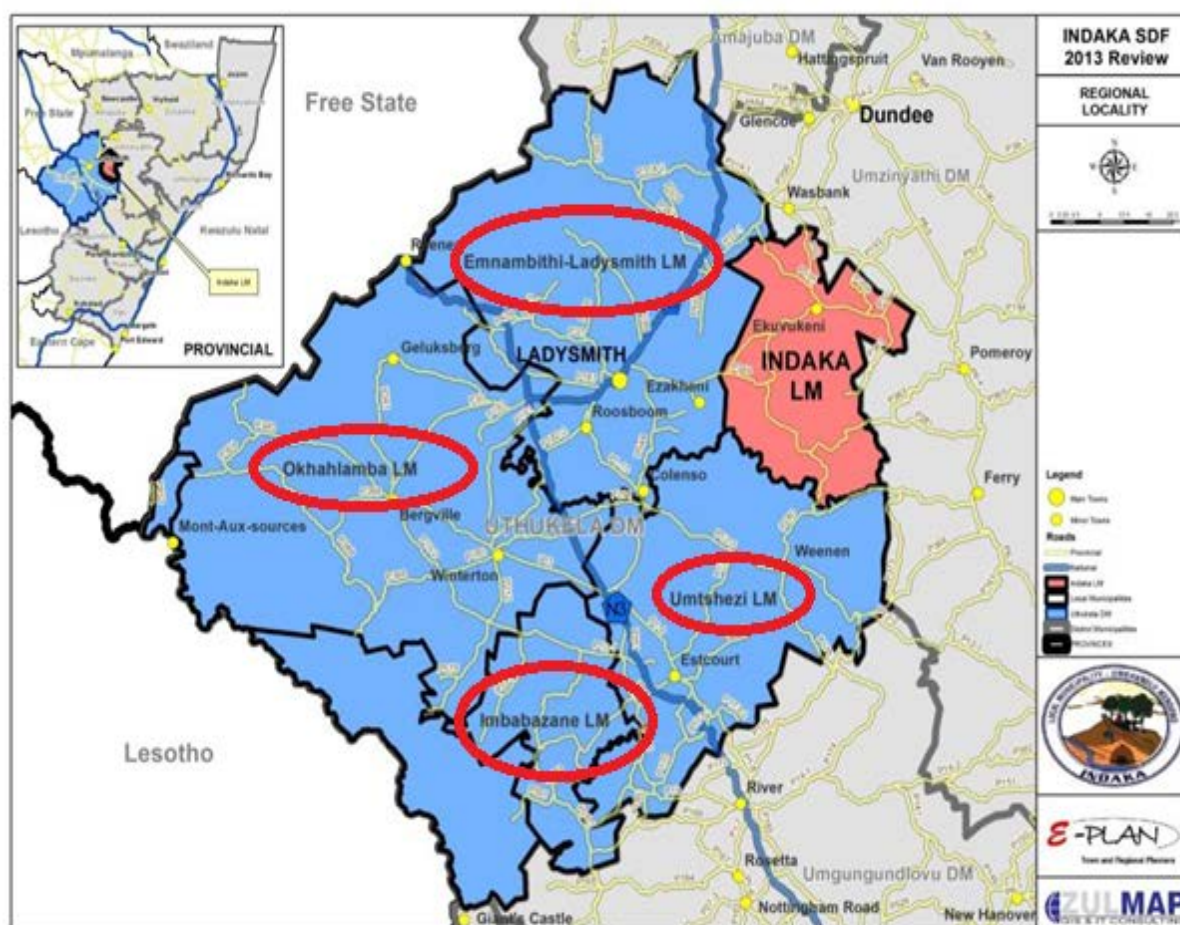
The Indaka Municipality and Emnambithi Municipality (according to Notice No. 14(5) KZN Government Gazette and subsequent amalgamation proclamation by Municipal Demarcation Board (MDB) are disestablished in order to form the new Municipal entity (KZN238) after the 2016 Local Government elections. This means this is the last IDP generation for the Indaka Council which was elected in 2011 and the very last IDP for the entity called Indaka Municipality (KZN233).

Also in the Uthukela District, Imbabazane and Umtshezi municipalities will be disestablished and form the new municipal entity KZN237

The Indaka Municipality's land area comprises approximately 9% of the total uThukela District Municipality land area. The majority of the land area of the Indaka Municipality falls under the Ingonyama Trust and used to be part of the former Zululand Homeland. This in itself has rendered the Indaka Municipality with little historical economic development and has left a legacy of impoverishment and dependency on migrant workers and social grants for socio-economic well-being of the majority of its population.

Indaka is a predominantly rural municipality which is characterised by extensive socio economic challenges such as a low revenue base, poorly maintained infrastructure and limited access to social and other services. High levels of poverty, unemployment, and skills shortage, lack of resources and low levels of education are also prevalent.

MAP 12: Regional Locality on Indaka Local Municipality



Long Term Spatial Vision;

The long term Spatial Development vision for Indaka Municipality is as follows:

"A Developmental integrated Municipality where resources are optimally allocated to ensure access to basic services, social amenities and economic opportunities are available to all."

Spatial Development Objectives and Strategies

The municipal Development Objectives are mainly orientated and aligned to National Key Performance Areas (KPA's) as indicated below.

The following tables depict the strategies set out by the municipality that have aspects that can be spatially manifested. These strategies can be identified and categorized by the 5 principals indicated in the Spatial Planning and Land Use Management Act, 2013 (SPLUMA):

a) Spatial Justice

According to SPLUMA Principles;

- Past spatial and other development imbalances must be redressed through improved access to and use of land;
- Spatial Development Frameworks and policies at all spheres of government must address the inclusion of persons and areas that were previously

excluded, with an emphasis on informal settlements, former homeland areas and areas characterized by widespread poverty and deprivation;

- Spatial planning mechanisms, including land use schemes, include provisions that enable redress in access to land and property by disadvantaged communities and persons;
- Land use management systems are inclusive of all areas of a municipality and specifically include provisions that are flexible and appropriate for the management of disadvantaged areas, informal settlements and former homeland areas;
- Land development procedures will include provisions that accommodate access to secure tenure and the incremental upgrading of informal areas; and where a planning tribunal considers an application before it, the planning tribunal's exercise of discretion may not be impeded or restricted on the ground that the value of land or property is affected by the outcome of the application.

b) Good Administration

According to SPLUMA Principles;

- ∞ All spheres of government ensure an integrated approach to land use and land development that is guided by the spatial planning and land use management systems as embodied in this Act;
- ∞ No government department may withhold their sector input or fail to comply with any other prescribed requirements during the preparation or amendment of Spatial Development Frameworks;
- ∞ The requirements of any law relating to land development and land use are met timeously;
- ∞ The preparation and amendment of spatial plans, policies, land use schemes as well as procedures for development applications, to include transparent processes of citizen participation and all parties to have the opportunity to provide inputs on matters affecting them; and Policies, legislation and procedures must be clearly set out and inform and empower citizens.

The following Spatial Objectives have been identified for Indaka Municipality:

- ∞ Demarcate areas where development should not be allowed
- ∞ Establish the Urban/Settlement Edge and identify land for infill development
- ∞ Ensure that Public Capital investment promote development of the Primary node and attract private investment to the area.
- ∞ Establish a hierarchy of nodes
- ∞ Formalise emerging urban settlements
- ∞ Develop rural service centres in district nodes (emerging urban settlements)
- ∞ Provision and upgrading of infrastructure to address backlogs
- ∞ Develop a uniform Land Use management System.
- ∞ Support Land Reform Projects and Security of tenure
- ∞ Promote a variety of housing typologies and densities in and around identified nodes

C.2.2. Natural Environment Analysis

Mountain Ranges

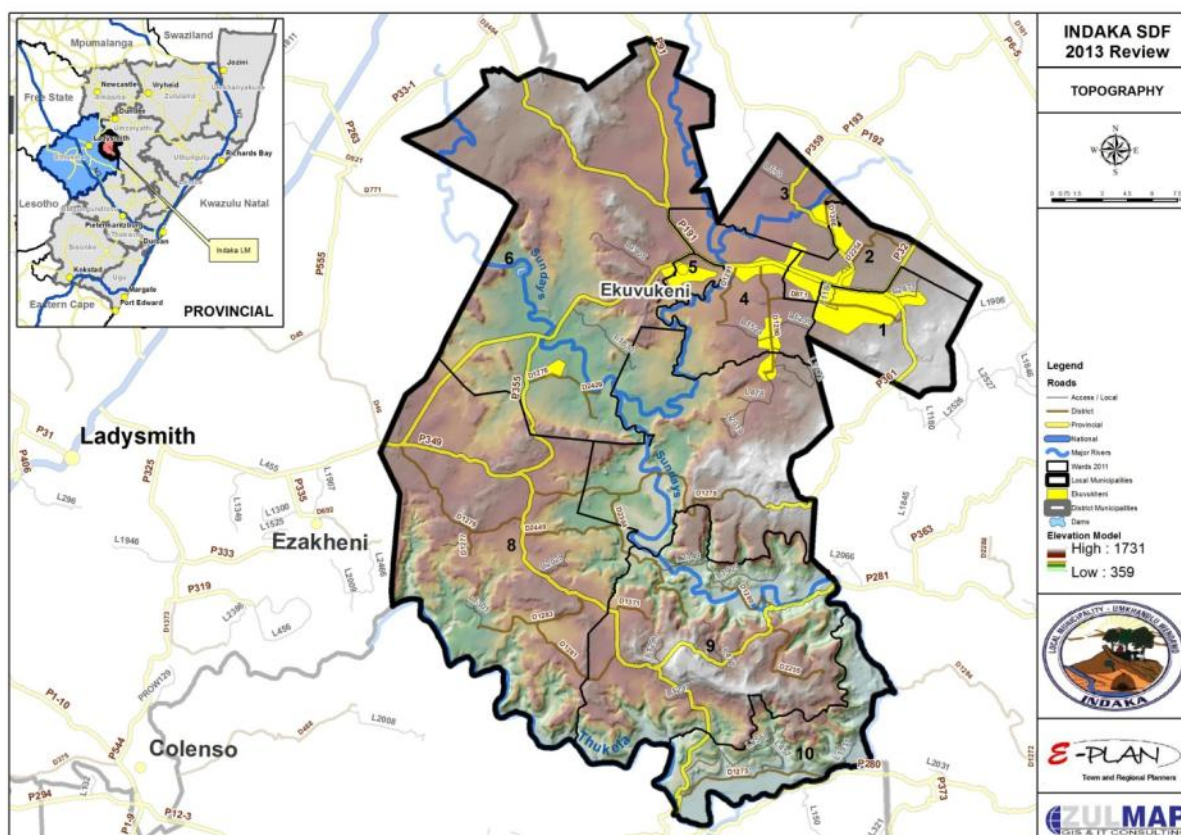
The Indaka Municipality is located within the south-western foothills of the Biggarsberg, which forms a watershed and natural divide between the municipality and the adjacent municipalities of Endumeni to the north and Msinga to the east.

Topography

Topographically, the municipality can be divided into the rugged southern areas and the central plateau. The southern areas of Indaka, comprising the Sundays River Valley and the UThukela River gorge, are topographically rugged, characterized by deeply entrenched river valley and broken ridge lines. Due to the steep gradients and relative inaccessibility of these areas, settlement tends to be more limited and dispersed. Agricultural potential is limited and limited agricultural activity is practiced.

The northern portion of the municipality is part of the central plateau extending from Ladysmith to Wasbank. The area is characterized by gently sloping land, with extractions of dolomitic capped koppies and ridges. The most prominent of these are Jobskop (1,734 m), Stuurmanskop (1,125 m), Mancilwane (1,054 m) and Cancane (1,192 m). Within this flatter area, the average elevation varies from 100-1,500 m. Much of this northern area is degraded due to overstocking and erosion.

MAP 13: Topography Indaka Local Municipality



Water Catchment

Rivers

The Indaka Municipality is characterized by two drainage systems – the UThukela River and the Sundays River. The east-flowing UThukela River forms the southern boundary of the municipality, with tributaries draining southwards to the river. The Jana Dam is proposed along this river.

The Sundays River drainage basin forms the major proportion of the Indaka municipal area. The Wasbank River joins the Sundays in the central area of Indaka. Tributaries into these south flowing rivers drain from the east and west. Water quality in the Wasbank River has been negatively affected by coal mining within its drainage system.

The Uthukela, Sundays and Wasbank rivers are perennial while some of the minor tributaries may be seasonal.

The presence of a large number of rivers and high volumes of water implies that safety of communities also needs to be considered by locating them outside possible flood areas.

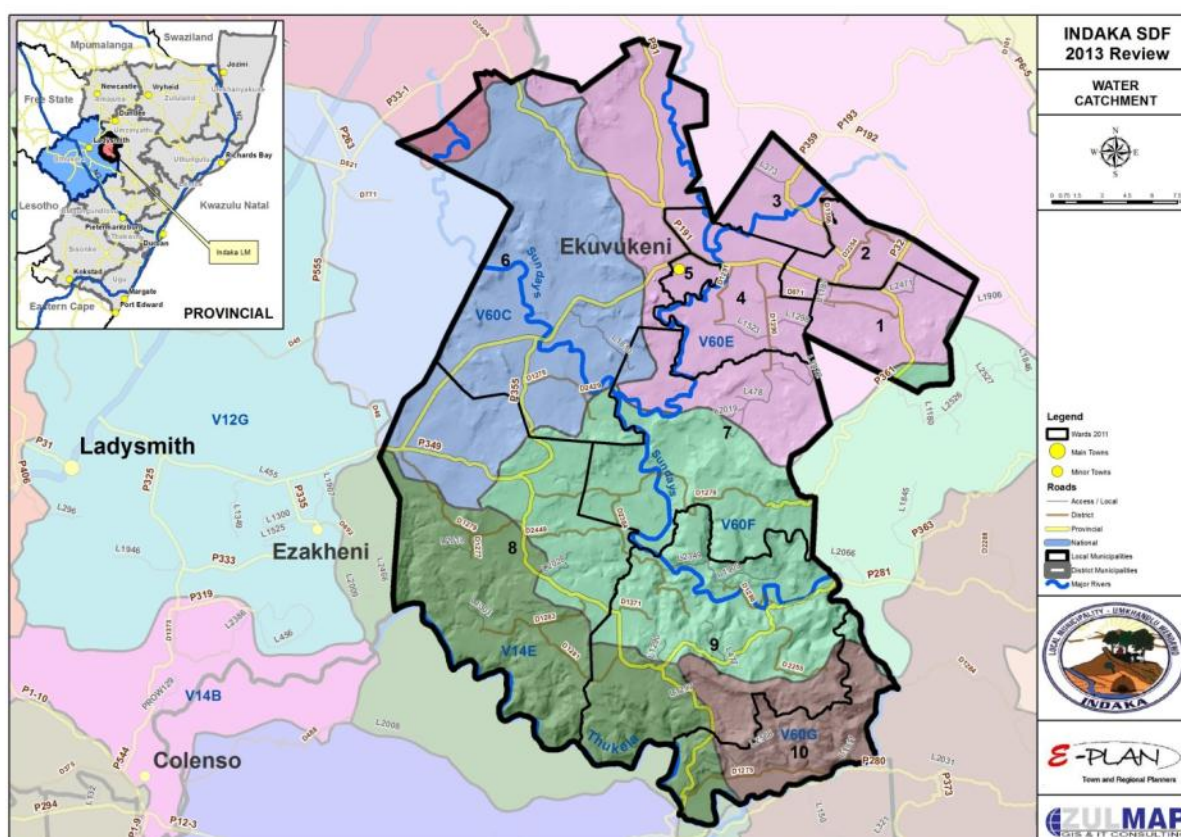
Wetlands

There are no major wetlands in the Indaka municipality. However, in the upper reaches of the tributaries of the major rivers, areas have been identified where there is adequate water supply and a place where water will accumulate (Kotze and Breen, 1996). Analysis of the map indicates that these areas are more predominant in the northern area of the Indaka Municipality, due to the topography of the area.

Dams

The only dam worth mentioning in the Indaka Municipality is the Olifantskop Dam situated in the Sundays River. However, there are proposals for the construction of the Jana and Mielietuin Dams on the Uthukela River as part of the Vaal Transfer Scheme, Municipality will only benefit marginally from the water stored in the dams

MAP 14: River systems and catchment areas in Indaka Local Municipality

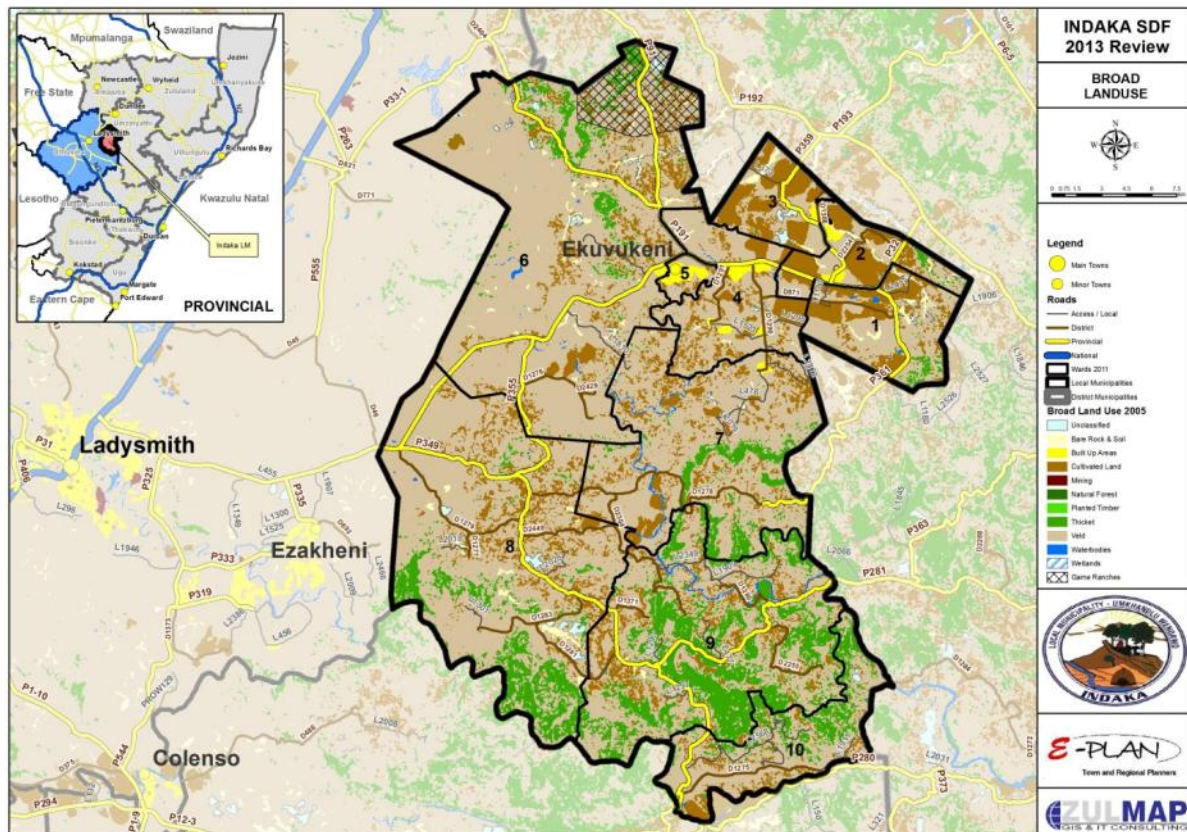


Broad Land Uses

Indaka is a predominantly rural municipality which is characterised by extensive socio economic challenges such as a low revenue base, poorly maintained infrastructure and limited access to social and other services. High levels of poverty, unemployment, skills shortage, lack of resources and low levels of education are also prevalent.

The settlement patterns are dispersed which has resulted in under-developed land and settlement patterns. This presents a challenge in that it is expensive to deliver services. Indaka has dense rural villages which are mainly located in the traditional areas. In terms of land ownership, approximately 95 % of the municipality is traditional land.

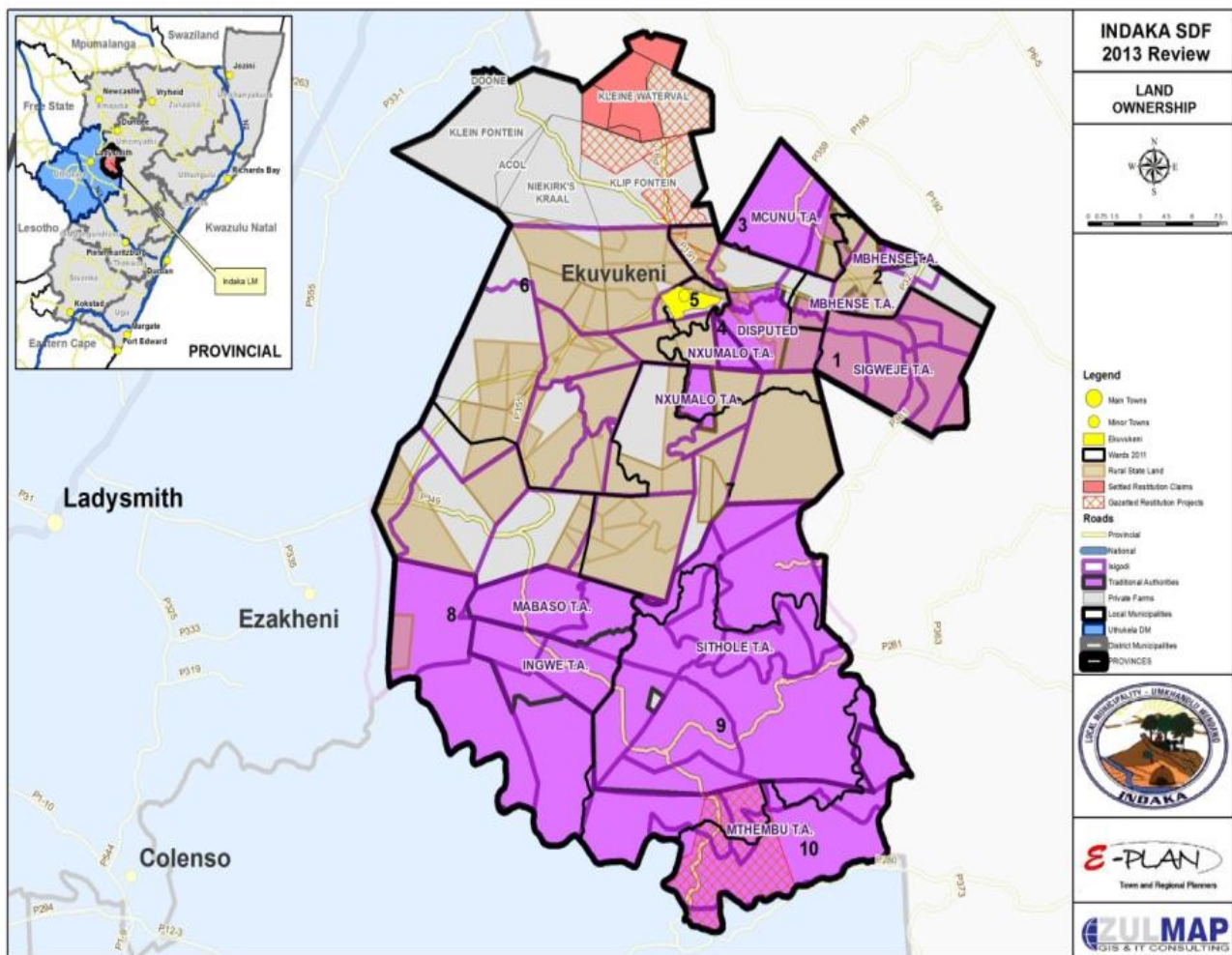
MAP 15: Broad land cover in Indaka Local Municipality



Land Ownership and Land Reform

Approximately 48% of the land within the Indaka Municipality falls under the control of the Ingonyama Trust, the remaining 52% falls either under state ownership or private owners. 29,000 ha of land (84 farms) is subject to land claims from the adjoining tribal authorities or communities affected by the forced removals which took place in the early 1960's to 1980's. At present this is a limiting factor on development as little can be done until the land claims are resolved.

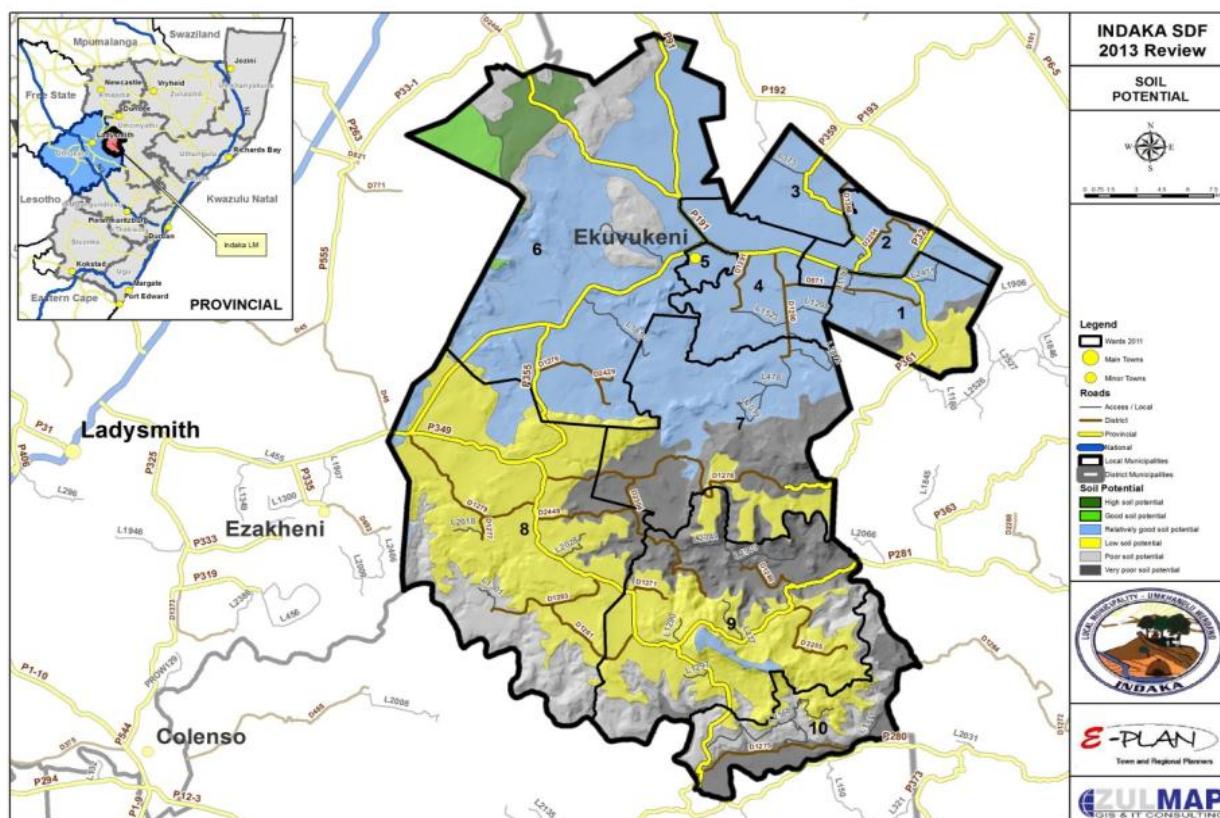
MAP 16: Land Reform in Indaka Local Municipality



Land Capability

The land capability of the Indaka municipal area, as indicated on Map 7 is dispersed, ranging between Land capabilities classes II to VII. There is no dominant land capability classification found in the municipal area and a very large portion of the land is falls under Classes II to VII.

MAP 17: Agricultural land categories of Indaka Local Municipality



According to Table 5 below, class VII, which is dominant in the southern parts of the municipality, is primarily suited for light grazing. The central parts of the municipality are dominated by classes ranging between III – V which are best suited for forestry, light to moderate grazing and light to moderate cultivation as land use options.

The northern part of the municipality has an area of class II land, which includes arable land for intensive, well adopted cultivation purposes, moderately well adopted cultivation, light to intensive grazing, wildlife and forestry. This area in the northern part of the municipality can generally be regarded as having high agricultural potential. This will need to be factored into the economic development and agrarian reform strategies of the municipality.

Table 5: Land Use Options

LAND CAPABILITY CLASS	LAND USE OPTIONS									LAND CAPABILITY GROUPS
	Wildlife	Forestry	Light Grazing	Moderate Grazing	Intensive Grazing	Poor Cultivation	Moderately Cultivation	Intensive Cultivation	Very Intensive Cultivation	
I										ARABLE LAND
II										
III										
IV										
V										GRAZING
VI										
VII										
VIII										WILDLIFE

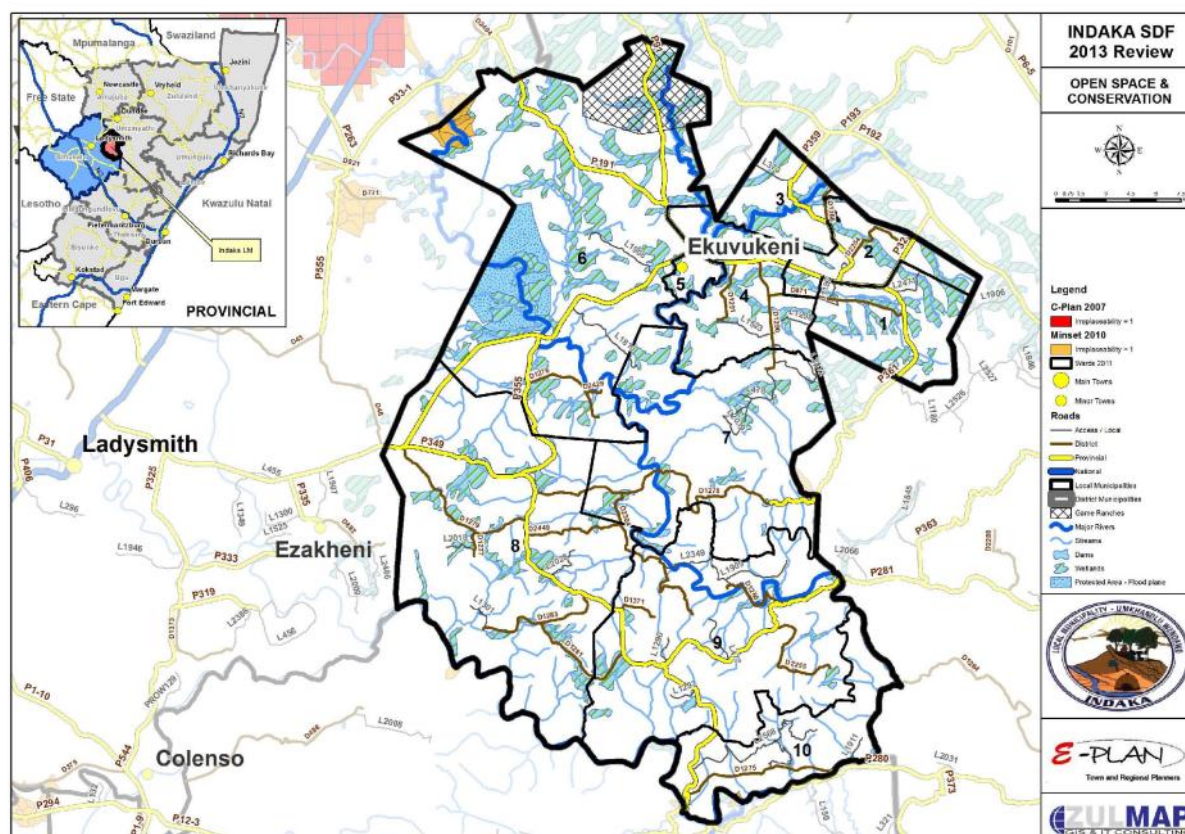
Source: Department of Agriculture

Analysis of the KZN Wildlife GIS database identifies two categories of environmentally important areas as occurring in the municipality:

- Important Species Sites; and
- Sites of Intrinsic Biodiversity Value.

The important species identified as potentially occurring in the municipality is Oribi and the location is the north-western portion of the municipality. The locality is contiguous with areas in the Emnambithi municipality. This area overlaps with the important flood plain of the Sundays River.

MAP 18: Open Space and Conservation in Indaka Municipality



Three areas of high intrinsic biodiversity have been identified in the Indaka Municipality. These are located in the high lying areas, particularly around Jobskop and in the ridgeline forming the watershed between the Sundays and Uthukela Rivers. Some other isolated areas in proximity to streams / wetlands have also been identified.

Many of the steep slopes of the Uthukela Gorge and of the Sundays River Valley have been identified as areas of intermediate biodiversity value, as have the slopes of Jobskop

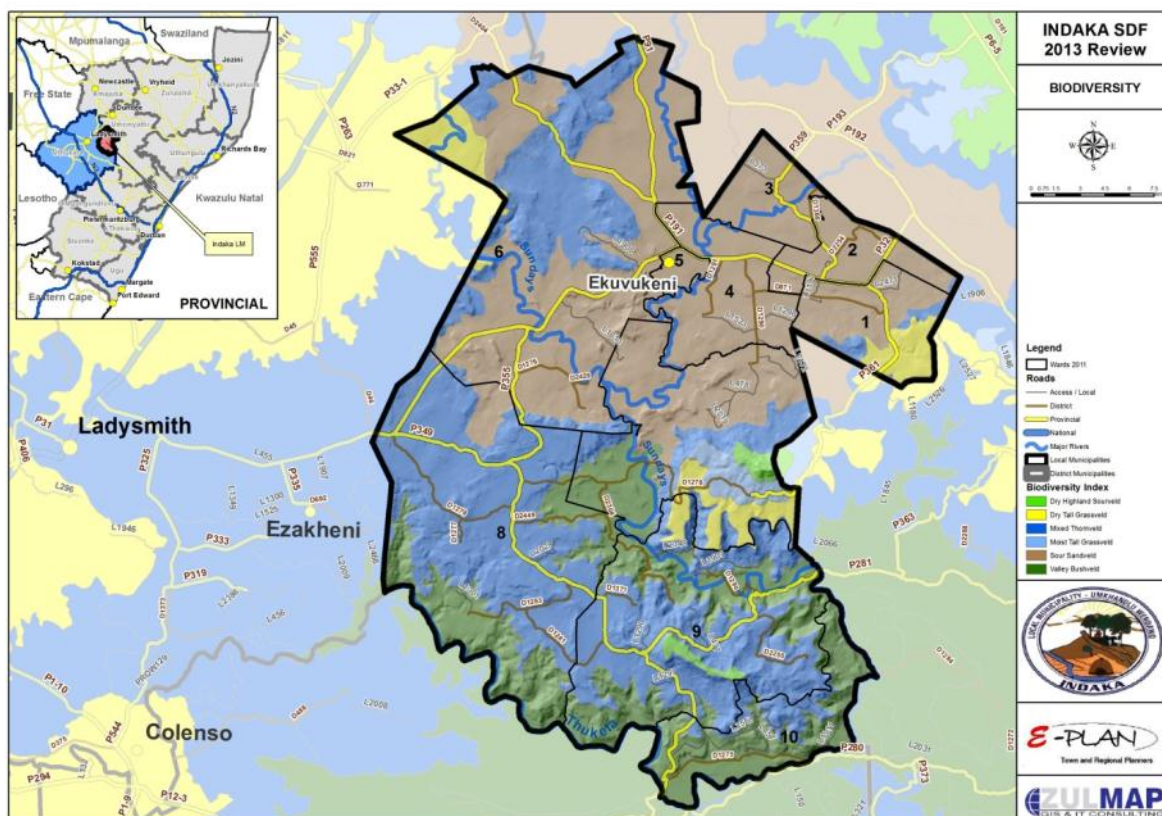
Vegetation

According to the Bioresearch Group classification of the vegetation of KZN by Camp (1996) as used by the Department of Agriculture, the main veld types in the area as follows:

- Moist Highland Sourveld (MHS) prevalent in the high precipitation areas at Majuquela settlement and the area on the plateau to the south of Emfundeni.
- Dry Tall Grassveld (DTG) a small biome in the area on the boundary of wards 1 and 2.
- Moist Tall Grassveld (MTG) on the plateaus with higher rainfall in the North West and eastern areas.

- Mixed Thornveld (MT) prevalent on the slopes and plateaus in the southern part of the municipality and is the largest biome in the municipal area. Much of the Mixed Thornveld has good potential for animal production. Where bush encroachment has occurred, the possibility of introducing browsers in the form of goats can raise the potential for animal production, using the grassland with grazing animals and the woody species with browsers. Management of a high quality is necessary to successfully apply this type of farming. There is a potential for game farming as indicated by the success of the introduction of wild animals into the Weenen Nature Reserve.
- Moist Transitional Tall Grassveld (MTTG) Prevalent in the Majuqula area Valley Bushveld (VB) prevalent in the Sundays and Tugela river valleys. The Valley Bush veld is found in the hot valleys of the major rivers of the Province. Neither sheep nor dairy cattle are suited to these warm areas. Sheep suffer from a variety of diseases, while the high temperatures and the extensive nature of farming do not suit dairy production. Beef and game farming are, however, well suited to the region. Because the veld is sweet, grazing is provided for the beef breeding herd throughout the year, without the need for supplementation.
- Sour Sandveld (SS) prevalent in the northern part of the municipality, livestock production potential of the natural grassveld is somewhat lower than in the Dry Tall Grassveld

MAP 19: Environmental Sensitivity in Indaka Municipality



Key Hydrological Features

Indaka Municipality is characterized by two drainage systems - uThukela and Sundays River. The fast flowing uThukela Rivers form the southern boundary of the municipality, with tributaries drainage southern wards to the river.

Sundays River drainage basin forms the major proportion of Indaka municipal area. The flowing of these rivers through the municipality is viewed as an opportunity because they act

as centripetal force to the industries to the municipality and also make water supply projects possible to the municipality.

Protected Areas

The identified protected area and the Oribi sites (important species sites) and some tourism related assets (i.e. Cannibalism Route) within the municipality would need to be properly managed and protected.

Biodiversity

Three areas of high intrinsic biodiversity have been identified in the Indaka Municipality. These are located in the high lying areas, particularly around Jobskop and in the ridgeline forming the watershed between the Sundays and Tugela Rivers. Some other isolated areas in proximity to streams/wetlands have also been identified. Many of the steep slopes of the uThukela Gorge and of the Sundays River Valley have been identified as areas of intermediate biodiversity value, as have the slopes of Jobskop.

Climate Change

This Climate change response plan has been set for UThukela District, in spheres that the different departments and components within the district municipality have direct control over and are able to influence. Responding to climate change will require collaboration with a number of sector departments and the municipalities, these have been noted here. Secondly there is clear and distinct need to educate and inform the residents of the UThukela district of the dangers of Climate change as well as explaining why some infrastructure developments are designed and built with the anticipated effects of climate change.

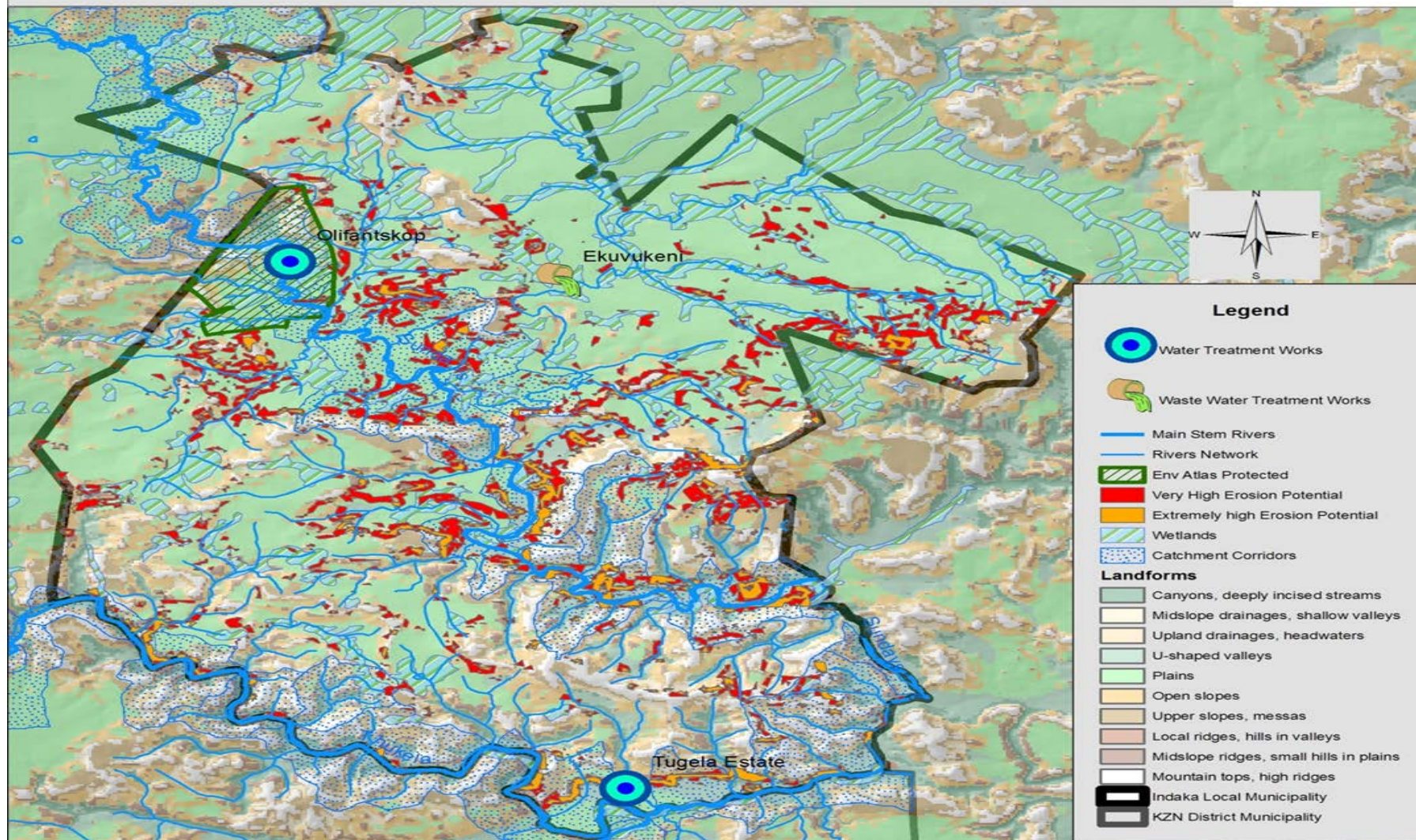
The need for a climate change response plan for the district

There is an overwhelming consensus amongst scientists that climate change is real, and human induced. Although the over the history of the earth, global temperature variations have occurred, it is the rate of change in the last 150 years that is most alarming.

It is widely accepted that the impact of the change in chemistry and associated warming is at a global atmospheric level, the impacts will be felt at the local level. As a result, the forecasts and predictions produced by atmospheric modeling data are very helpful in allowing the district to plan at the local level. As with all science, over time the accuracy should improve, but this detail should support decisions taken to minimize the loss of livelihoods, as well as the infrastructure that allows the residents of UThukela to lead healthy and fulfilling lives.

Map 20: Environmental Concerns of Indaka Municipality

Environmental Concerns of Indaka Local Municipality



Subsequently the objectives and initiatives aimed at climate change is not only to achieve stabilization of the concentrations of greenhouse gases in the atmosphere but also aimed at improving the resilience of both the natural environment, through rehabilitation, conservation and management but in so doing also the ability of the people of Indaka to live in a more sustainable manner within their environment.

In order to ensure sustainability and continuity of food production through subsistence farming practices it is necessary to improve the skill and knowledge of the communities to ensure that land degradation does not occur and negatively influence the fertility of the land.

Proposed Interventions include:

- Promote Sustainable agricultural land-use practices,
- Regulatory Framework for the Reduction of Land Degradation and Land Care programme,
- Develop a Strategic Environmental Framework for Indaka Municipality towards Strategic Planning for Biodiversity Conservation.

Strategic Environmental Assessment

The UThukela District Municipality has developed a district Integrated Environmental Plan (IEP) covering all the local municipalities that make up UThukela District. The IEP provides a high-level environmental analysis for the district in order to guide strategic and project level development and planning decision making. The IEP is aimed at contributing to a healthy environment by ensuring that strategic environmental issues are identified, as well as potential environmental requirements for future projects are taken into account during decision making. The UThukela District IEP is attached as **Annexure**

C.2.3. Existing Human Settlements, Nodes and Corridors (including Urban Edges)

The settlement patterns are dispersed which has resulted in under-developed land and settlement patterns. This presents a challenge in that it is expensive to deliver services.

Indaka has dense rural villages which are mainly located in the traditional areas. In terms of land ownership, approximately 95 % of the municipality is traditional land.

Human Settlement Pattern

The main town in the municipality is Ekuvukeni, a former R293 township, which serves as the hub of the municipality. The municipal administration and a concentration of economic activities are located in Ekuvukeni.

The remainder of the area is characterized by rural settlements, as may be anticipated in an area that previously was administered by the KwaZulu Government. A total of 143 settlements have been identified in the municipality. Many of the settlements are located along the provincial and district roads, while others are clustered where services are available (e.g. Limehill complex).

The municipality's SDF describes the municipality's settlement pattern as follows:

a) Urban Settlements

The only settlement in the municipal area which provides some higher order services and can be classified as urban is Ekuvukeni. Ekuvukeni also has cadastral information and is registered at the office of the Surveyor-General. The SDF describes Ekuvukeni as follows:

“Ekuvukeni is identified as a primary service centre. The area has some form of semi urban setting in that it acts as a major rural service centre within Indaka Municipality. It accommodates the municipal offices, police station and schools. The area includes a mixture of land uses namely administrative, social and settlements. Ekuvukeni should be developed further for services, business, institutional and administrative activities.”

This urban centre serves as a link between the outlying areas as well as the dispersed rural settlements located at the peripheral areas of the municipality with marginal economic development potential.

In comparison to the surrounding hinterland, towns generally have a higher level of social and infrastructure services, higher concentrations of administrative and business infrastructure and hence, towns normally fulfil the role of service centre to the surrounding hinterland.

b) Predominantly Scattered Low-Density Rural Settlements;

- Scattered throughout the entire municipal area (especially in the eastern parts of the municipality) and they surround communal grazing, crop production and grasslands. Settlement density appears to be directly correlated to accessibility (increased accessibility – increased density).
- Spatially, settlements density appears to be lower, the further the location from the main road axis and its feeder roads. This is also supported by demographic information which clearly indicates that population density decline the further one moves away from the main transport routes. Levels of services are generally low, with the majority of residential structures being self-built.
- Apart from a few trading stores and agricultural activities there is generally little sign of economic activities outside of the urbanized areas. The rural settlements mainly serve as residential areas with a limited economic base. Inhabitants are predominantly dependent on external sources of income and social and welfare grants. The continuous low-density sprawl of these rural settlement and poor planning of the past, which results in more productive agricultural land being taken up need to be addressed to ensure protection of the municipality's primary economic generating resource.

c) Peri-Urban And Semi-Urban Settlements;

The Limehill Complex and Ezitendeni – Msusumpi Complex are classified as Semi Urban Settlements as the SDF describes these settlements. These centres currently perform few functions such as service delivery and to a limited extent commercial activity. The influence of these service centres is quite critical for service delivery to the complexes where they are located which are:-

- Limehill Complex – this is the largest complex within Indaka and it has a total population of approximately 64 500 people. The complex includes Ebomvini, Lionville section, School section, Hlongwane section, Ward 1A & Bb and Ward 4A & B.
- Ezitendeni – Msusumpi Complex – this is the second largest complex with a total population of 15 864 people. The complex include settlement areas of Ezitendeni 1 & 2, Mtebhelu, Ezihlabeni, Embango, Emhohobeni, E platform, Inkawulo 1 & 2, Msusampi 1 & 2, Hlathi, Thembisa and Egunjini.

The identified secondary centres are strategically located to serve these complexes and the neighbouring rural settlement and they can be seen as the opportunity for clustering future development that must benefit these areas.

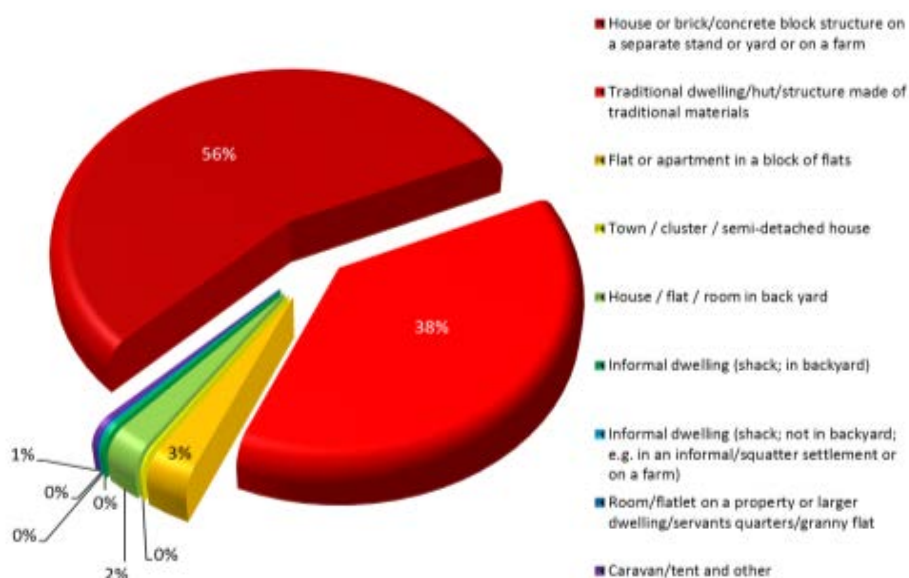
Housing Delivery

Challenges faced by the Indaka Municipality in the provision of housing include, the planning and provision of bulk infrastructure required for housing developments, which is presently not aligned to the housing projects and is creating bottlenecks, the complex relationship between Amakhosi and the Indaka Municipality over access to land for housing projects and the dissemination of information to ward committee level. The municipality has initiated the implementation of housing projects through provincial housing grants, and has included priority housing projects in its IDP.

Category	Type of Dwelling	Census 2001	Census 2011	Variance
A	House or brick structure on a separate stand or yard	38.6%	56%	17.4%
B	Traditional dwelling / hut / structure	54.1%	38%	-16.1%
C	Flat in block of flats	4.1%	3%	-1.1%
D	Town / cluster / semi-detached house	1.4%	0.2%	-1.2%
E	House / flat / room in back yard	0.5%	2.2%	1.7%
F	Informal dwelling / shack in back yard	0.2%	0.3%	0.1%
G	Informal dwelling / shack not in back yard (e.g. informal / squatter settlement)	0.8%	0.1%	-0.70%
H	Room / flat let not in back yard but on a shared property	0.1%	0.1%	0.0%
I	Caravan or tent or other	0.1%	0.4%	0.3%

Table 5: Indaka Municipality - % Distribution of Households by Type of Main Dwelling

Figure 12: Indaka Municipality - Type of Dwelling per Household (Stats SA 2011)

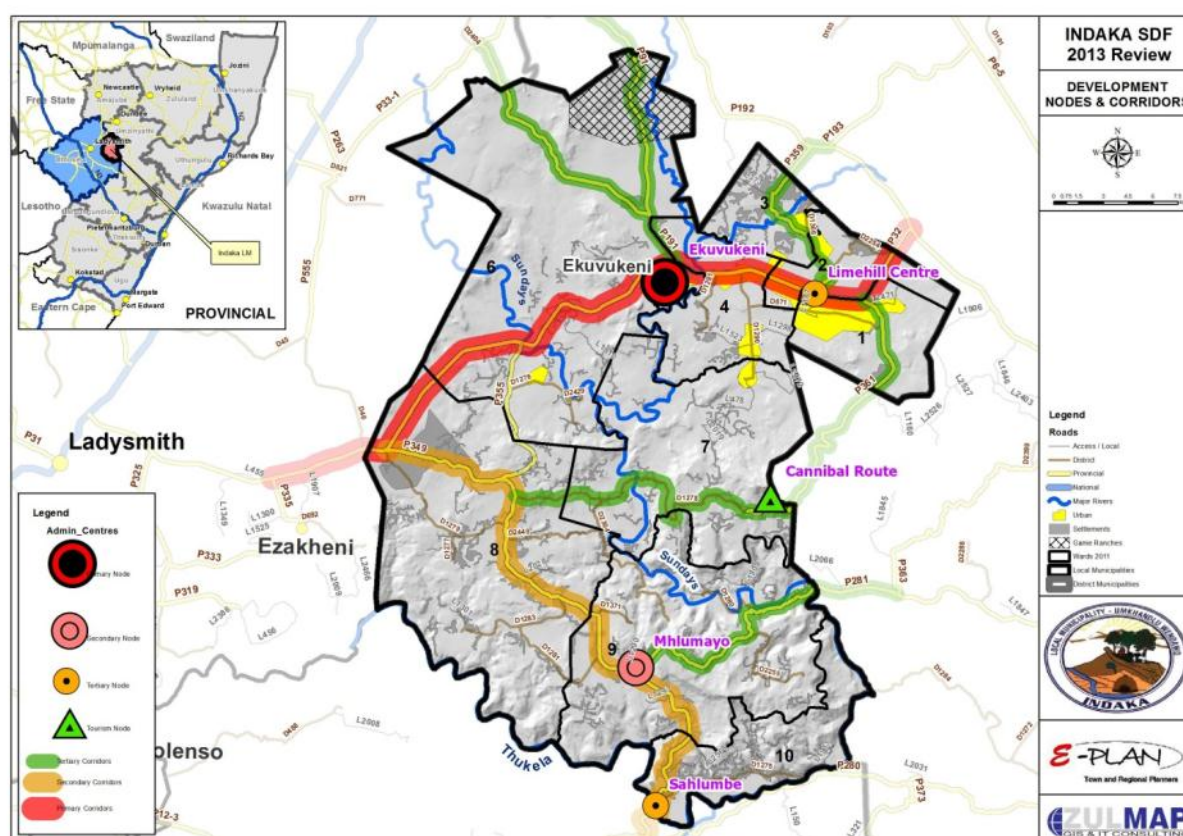


Based on the Census 2011 the largest proportion of dwellings is households living in brick structures (56%), followed by traditional dwellings (38%). There has been an increase in households living in house or brick structures from 2001 (38.6%) to 56% in 2011. There has been a decrease in other dwelling types, therefore needs are being met through brick structures.

Legend: 2001 (Grey), 2011 (Red)

Housing Type	2001 (%)	2011 (%)
House or brick structure on a separate stand or yard	39%	56%
Traditional dwelling / hut / structure	54%	38%
Flat in block of flats	4%	2%
Town / cluster / semi-detached house	1%	0.5%
House / flat / room in back yard	0.5%	2%
Informal dwelling / shack in back yard	0.5%	0.5%
Informal dwelling / shack not in back yard (e.g. informal / squatter settlement)	1%	0.5%
Room / flatlet not in back yard but on a shared property	0.5%	0.5%
Caravan or tent or other	0.5%	0.5%

MAP 21: Indaka Spatial Development Framework (2013)



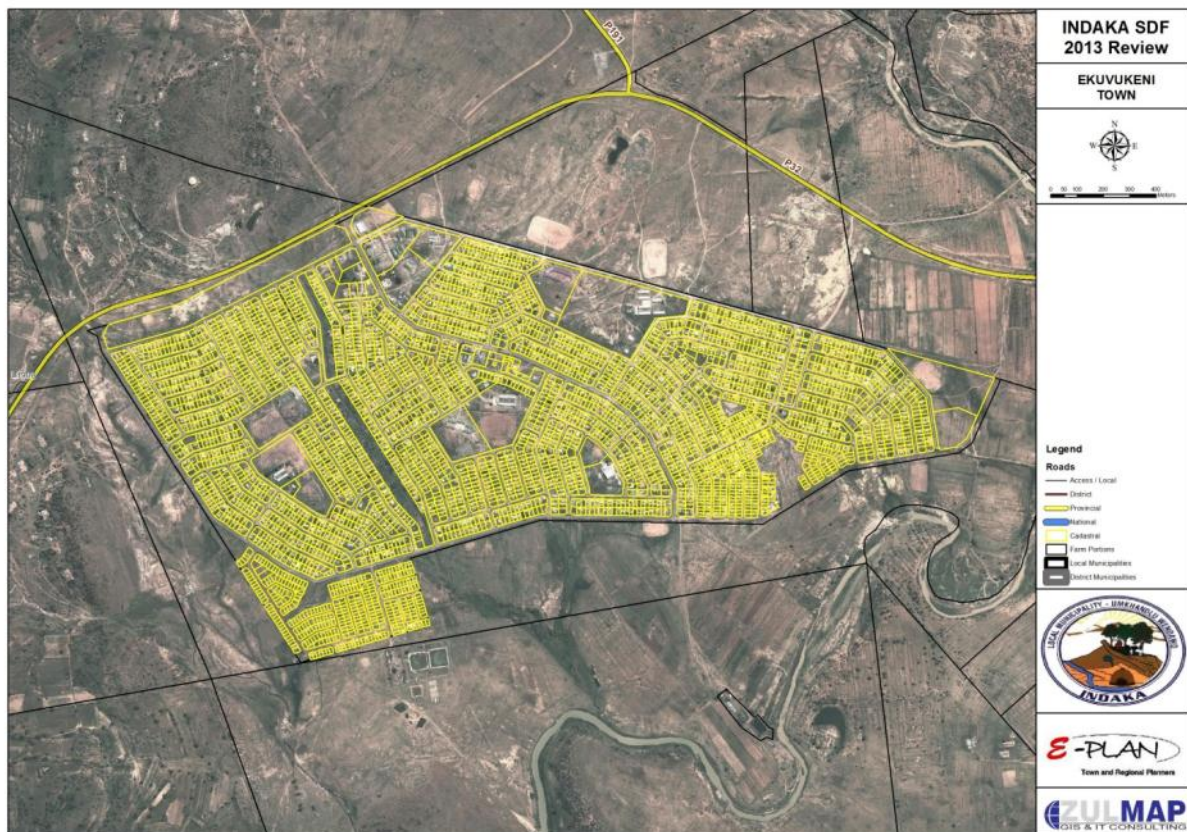
The main town in the municipality is Ekuvukeni, a former R293 township, which serves as the hub of the municipality. The municipal administration and a concentration of economic activities are located in Ekuvukeni.

The remainder of the area is characterized by rural settlements, as may be anticipated in an area that previously was administered by the KwaZulu Government. A total of 143 settlements have been identified in the municipality. Many of the settlements are located along the provincial and district roads, while others are clustered where services are available (e.g. Limehill complex).

Primary Service Centre

Ekuvukeni is identified as a primary service centre. The area has some form of semi urban setting in that it acts as a major rural service centre within Indaka Municipality. It accommodates the municipal offices, police station and schools. The area includes a mixture of land uses namely administrative, social and settlements. Ekuvukeni should be developed further for services, business, institutional and administrative activities.

MAP 22: Ekuvukeni Town, Indaka Local Municipality



Secondary Service Centre

There are four centres, which can be identified as the secondary service centres within Indaka Municipality and these include Limehill centre (within the Limehill Complex), Sahlumbe (within Ezitendeni – Msusamaphi Complex), Hlumayo (located within Mkhumbane – Mgababa complex) and Ilenge (which is within the Cannibalism Route which has a potential for tourism).

These centres currently perform few functions such as service delivery and to limited extent commercial activities. The influence of these service centres is quite critical for service delivery to the complexes where they are located which are:-

- ∞ Limehill Complex – this is the largest complex within Indaka and it has a total population of approximately 64 500 people. The complex includes Ebomvini, Lionville section, School section, Hlongwane section, Ward 1A & Bb and Ward 4A & B.
- ∞ Ezitendeni – Msusumpi Complex – this is the second largest complex with a total population of 15 864 people. The complex include settlement areas of Ezitendeni 1 & 2, Mtebhelu, Ezihlabeni, Embango, Emhohobeni, E platform, Inkawulo 1 & 2, Msusampi 1 & 2, Hlathi, Thembisa and Egunjini.

The identified secondary centres are strategically located to serve these complexes and the neighboring rural settlement and they can be seen as the opportunity for clustering future development that must benefit these areas.

Emerging/ Tertiary Centres

There are a number of tertiary centres, which are emerging. The first one (Amabolwane – Okhalweni Complex) exists in an under-developed area and has the potential to develop into commercial centres and is intended to facilitate service delivery. Public sector investment in the form of Multi-Purpose Community Centres (MPCC) that can accommodate a range of social services and government departments should be prioritized in these areas. The other areas that are emerging as the tertiary centres within Indaka include Makayane, Mpameni, Fiffy Park, Mangweni, Cancane, Oqungweni and Mlilweni in ward 9.

While the tertiary centres in ward 10 that make a hub include Ludimbi, Manqofini and Msusampi.

Primary Development Corridors

The system of development corridors is based on the function of each corridor and the nature of the activities that occurs within its area of influence. The roads linking Ekuvukeni with Ladysmith and Dundee/ Glencoe has potential to serve as trade routes. These routes are also tributary routes to the national routes (N3 and N11). In addition, they serve as link roads to the major centres such as Ladysmith and Dundee.

Secondary Development Corridors

A secondary corridors link the primary centre to the secondary centres and areas outside of Indaka Municipality and includes the following:-

- ∞ The road to Weenen (P 176) serves as a major link between Weenen and it also links Ezitendeni with Esigodini and Ekuvukeni.
- ∞ There are two other secondary corridors which link Ekuvukeni with the surrounding centres and these include the corridors to Wasbank and the Corridor to Elandslaagte.

The corridor to Dundee through Ebomvini can be considered important in facilitating development and service delivery in Ebomvini (within Limehill Complex) and it is directly linked to the primary corridor that links Ebomvini with Ekuvukeni. The corridor from Pomeroy to Majaqula attempts to link Indaka with areas across Umzinyathi and has potential to serve as major tourist access routes to the Zulu Culture and Heritage Route.

C.2.4. Spatial & Environmental: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the Indaka municipality spatially and environmentally. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none"> ∞ Some Arable Land ∞ Access to River Systems for irrigation ∞ Tourism Attraction (Venture Based) ∞ Cultural Heritage ∞ Spatial Development Framework aligned to the vision and objectives of the municipality. 	<ul style="list-style-type: none"> ∞ Unavailability of Infrastructure to exploit Agricultural Potential ∞ Geographical Location (Low Exposure and Accessibility) ∞ Young Population
Opportunities	Threats
<ul style="list-style-type: none"> ∞ Agriculture Irrigation; ∞ Sand Mining ∞ Coal Mine (Mineral Exploration Potential) 	<ul style="list-style-type: none"> ∞ Sand Mine (Control); ∞ Decline in Population Growth; ∞ Climate Change (Drought).

Disaster Management Analysis

Indaka Municipality is in the process of developing the comprehensive Disaster Management Plan and Risk Profile for the Municipality which will be included in the adopted IDP in June 2015.

Municipal Institutional Capacity

Indaka municipality identified four institutional responses as part of its Disaster Management Plan (DMP) which included:

1. Establishment of a Municipal Disaster Management Advisory Forum (MDMAF) to facilitate the implementation of all development projects
2. Creation of a communication link between Indaka local municipality, the community and the UThukela District Municipality (UDM).
3. Compilation of appropriate Mutual Assistance Agreements with all the identified role players
4. Development of a comprehensive Disaster Management Information System (DMIS)

In addition the Disaster Management Plan proposed the establishment of the: Local Inter-departmental Disaster Management Committee(LIDMC), a tactical body bringing together all line functionaries at Indaka local municipality, deciding on risk reduction and post disaster recovery strategies. The LIDMC is made up of;

- Municipal Managers
- Head of Disaster Management
- Head of Strategic Planning
- Head of District Disaster Management Centre
- HOD's
- IDP Managers

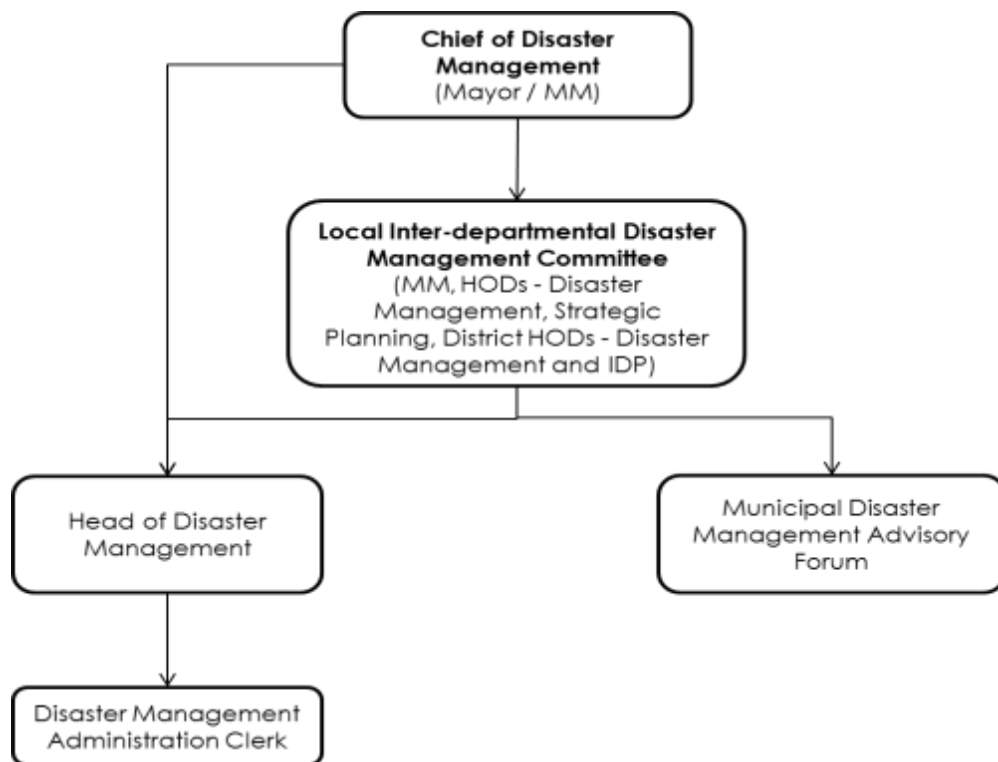


Figure 14: Disaster Management Institutional Arrangement

Risk Assessment

According to the Indaka DMP, the following potential risks were identified:

- **Fire (Rural and Urban context)**
- Strong Winds
- Hail Storm
- **Flooding resulting from heavy rain**
- Drought
- Disease (Cholera, Foot and Mouth disease, HIV, TB)
- Erosion
- Environmental Degradation
- Access to Water – Waste Management and Sanitation:
- Dumping sites not fenced
- Unsafe Bridges
- Limited resources to respond to disaster at local municipality.

The two greatest natural hazards identified by the Indaka DMP were veld fires and floods. The extent of areas vulnerable to fires and floods were overlaid to compile the map below.

Indaka Local Municipality Hazard Profile

Hazard Profile
Fire, Floods

- Floods
- Medium fire, Flood
- Medium Fire
- High fire, Flood
- High fire

Sub places

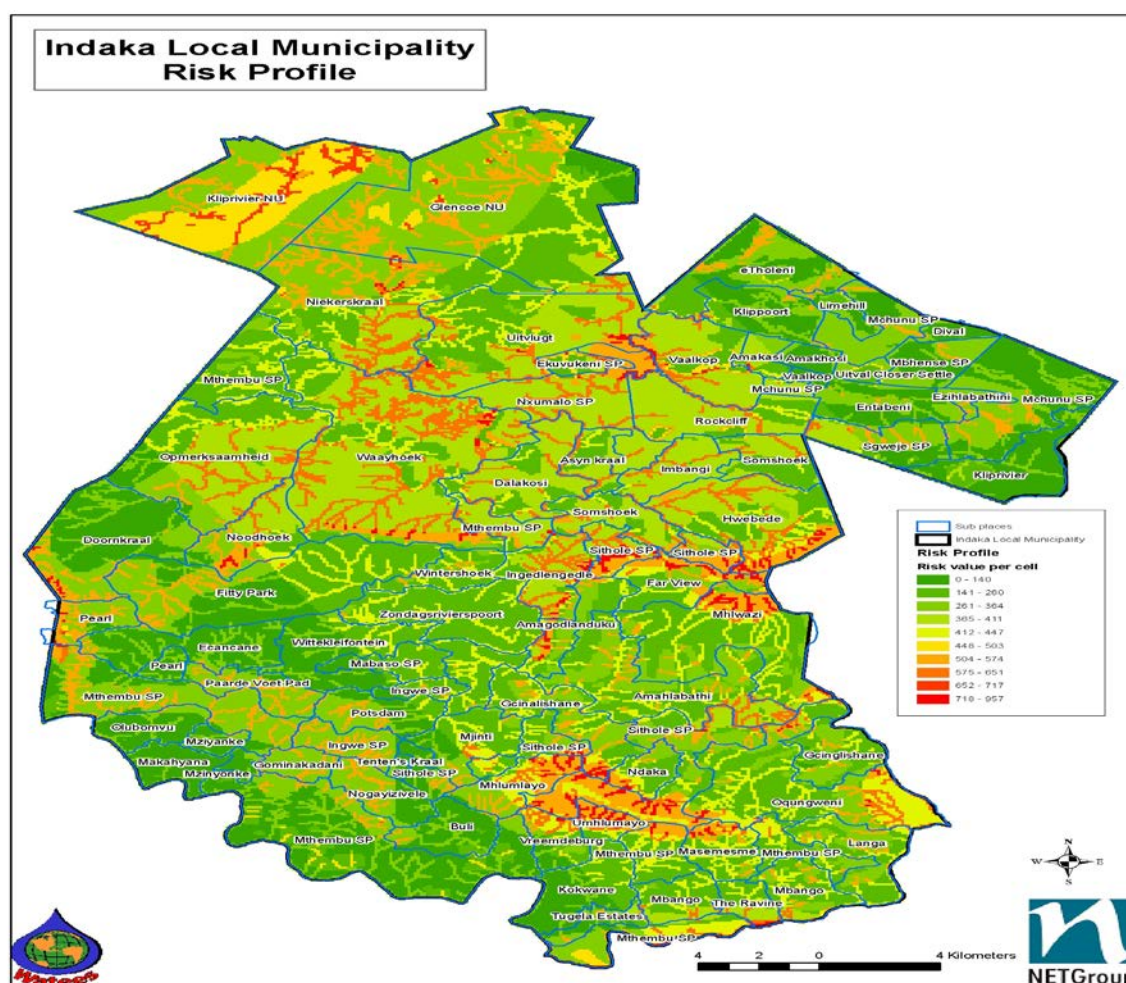
Indaka Local Municipality

4 2 0 4 Kilometers

NETGroup

In order to mitigate risk in the municipality, the Indaka DMP developed a risk profile map was using the threshold values of the risk assessment (Map 7). A high value indicates a high priority to implement risk reduction measures.

MAP 24: Disaster risk profile map for Indaka Local Municipality



Response & Recovery

The following measures were proposed as part of the Indaka DMP as risk reduction measures and responses.

Infrastructure support

- Rehabilitation of evacuation routes
- Refurbishment of health posts, temporary shelters for evacuated populations

Advocacy and Public awareness-raising

- Radio broadcasts /communication in communities
- Print media interaction: newspapers, magazines, information leaflets, posters, and billboards
- Awareness campaigns: street drama, theatre, song and simulation exercises

Small-scale mitigation works

- Protection walls along river banks
- Structural works on existing public buildings to increase their resistance to disasters
- Identification and reinforcement of safe places
- Reforestation / plantation
- Small-scale drainage and irrigation works

Early warning systems

- Technical studies conducted specifically to set up an EWS (e.g. hydrological study)

- Installation of radio networks and training beneficiaries on their use
- Installation of rain gauges / hydrometric scales and training of beneficiaries on their use
- Scientific equipment

Institutional strengthening

- Training of decision makers at different levels
- Training of sub-national institutions (government and non-government)
- Training of the planning departments of sectoral line functions on disaster risk reduction measures that could be undertaken as part of respective work plans

Local Capacity building / Training

- Support in the organization and training of local disaster management committees
- Training and sensitization for enhanced natural disaster risk awareness
- Workshops conducted at community level for the development and management of community disaster preparedness action plans
- Simulations conducted at community level, e.g. evacuations
- Training of community facilitators
- Training of community fire brigades
- Rescue kits and First aid emergency kits (depending on the recipient)

Disaster Management: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the Indaka municipality spatially and environmentally. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none"> ∞ Existing disaster response coordination centres. ∞ Existing Disaster Management Plan in place ∞ 	<ul style="list-style-type: none"> ∞ Existing Disaster Management Plan in place requires review ∞ Disaster Management Plan requires alignment with UThukela District ∞
Opportunities	Threats
<ul style="list-style-type: none"> ∞ Implementation of simple and manageable small scale disaster mitigation systems ∞ Awareness campaigns: street drama, theatre, song and simulation exercises ∞ 	<ul style="list-style-type: none"> ∞ Lack of coordination with the District Disaster Management Plan ∞ Alignment with disaster management of surrounding municipalities requires review

C.3. TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT ANALYSIS

C.3.1. Human Resource Strategy or Plan

The Council has adopted the following Human Resource policies as guiding principle in achieving the Municipal developmental vision. These policies are reviewed on an annual basis to ensure relevancy and applicability. The HR strategy will be developed in the beginning of 2015/2016 financial year.

C.3.2. Approved Organisational structure

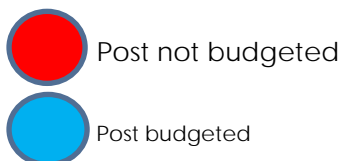
The Council has approved the organisational structure which is also aligned to the long-term developmental vision of the Municipality. The structure is reviewed on an annual basis so as to ensure the alignment with the IDP.

There are four senior managerial (section 54/56) posts in the organogram and they are all filled. The Municipality does not have the dedicated environmental management personnel but uses the services of an Environmental Specialist from the National Department of Environment based at Uthukela District Municipality. Over and above that the Municipality has 17 Environmental Management Learners deployed by the same Department at the Municipality helping in environmental related issues.

There are critical posts in the organogram which needed to be filled in the 2013/2014 financial year but the Municipality failed to fill them because of the concurrence letter.

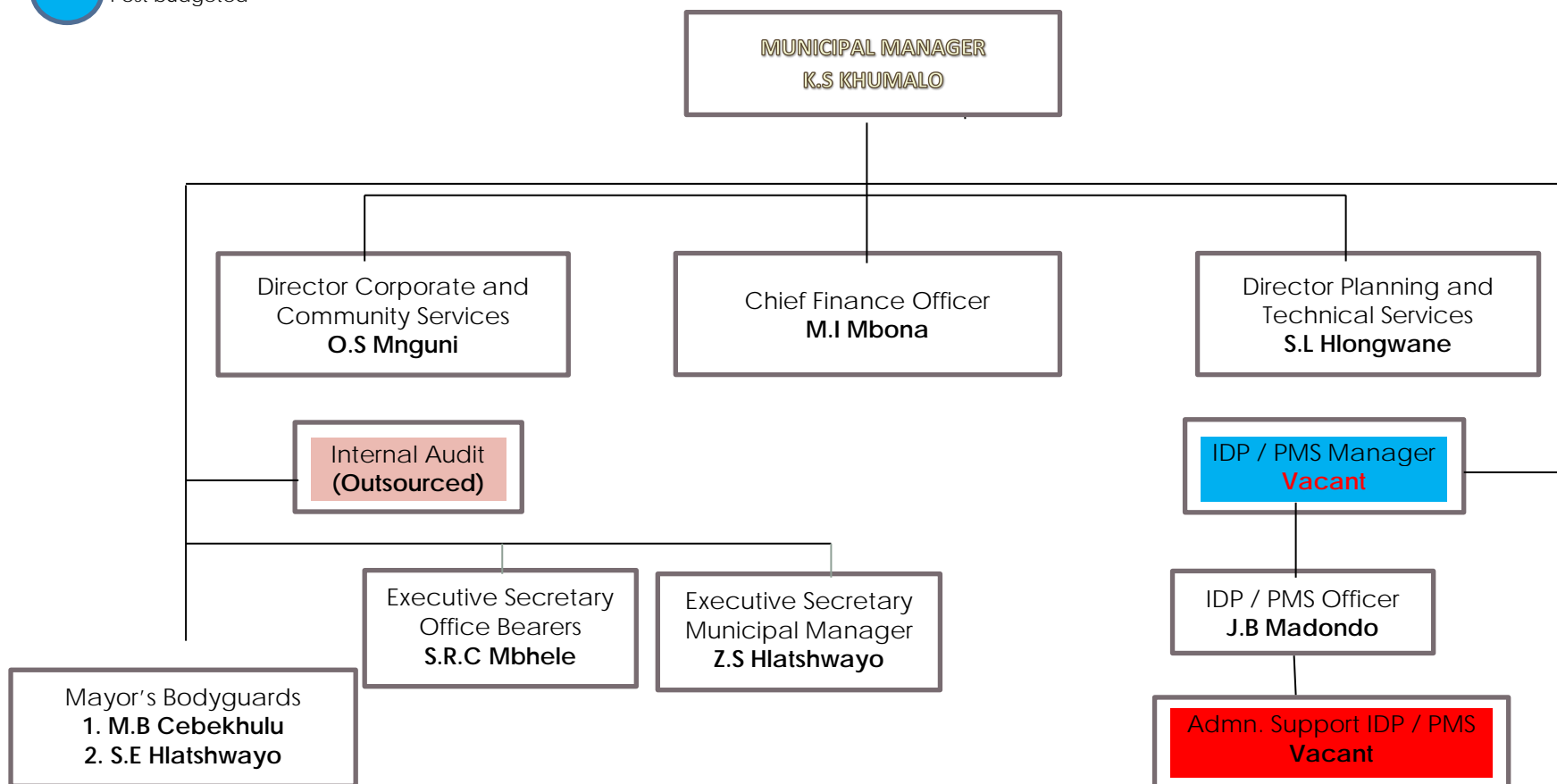
C.3.3. Employment Equity Plan and Workplace Skills Plan

INDAKA MUNICIPAL ORGANOGRAM (2013/2014 F/Y)





Total approved posts = 11
 Total employed = 09
 Vacancies = 02
 Vacancy rate = 18%
 Employment rate = 82%

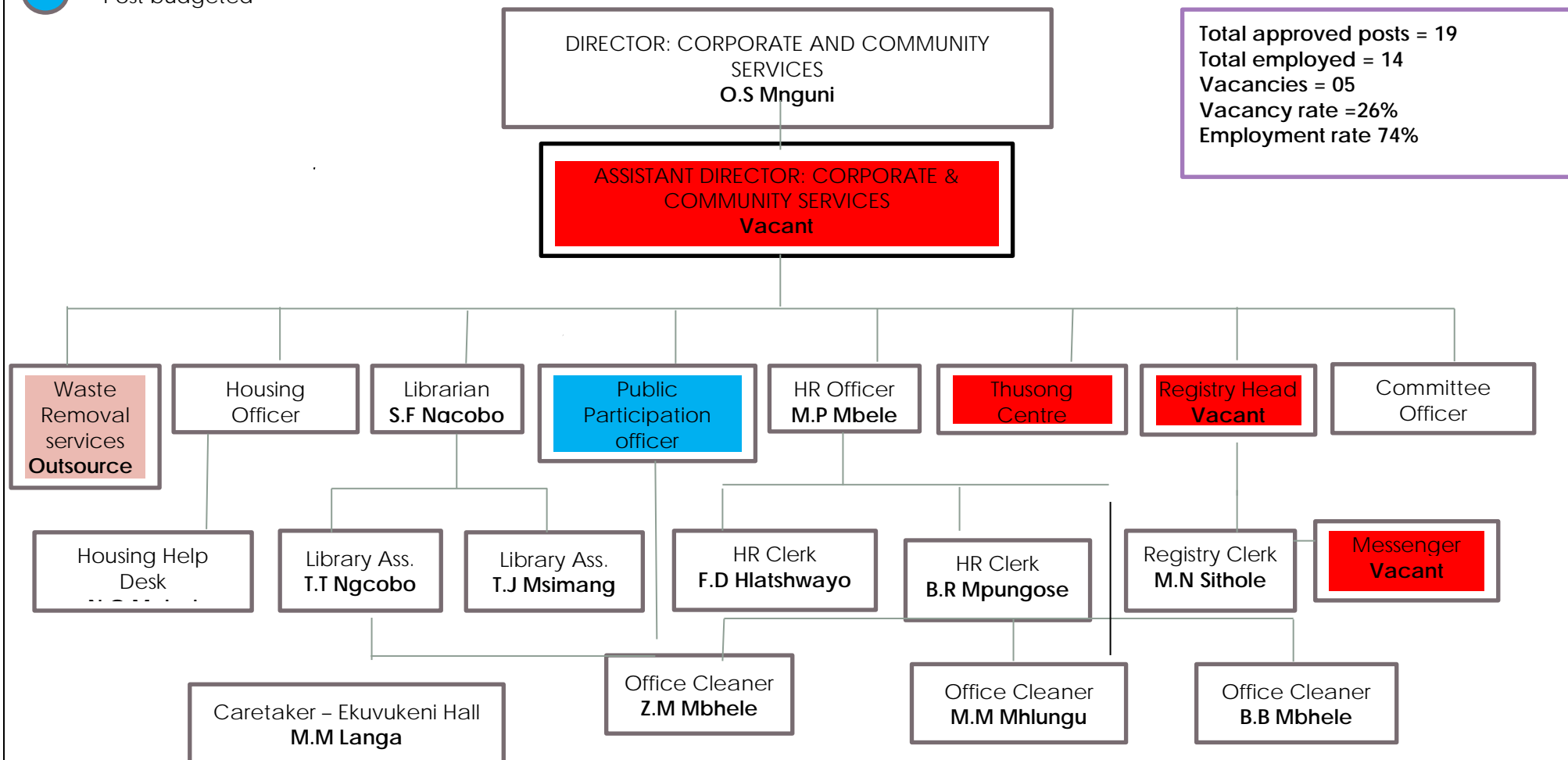
ANNEXURE "A" MUNICIPAL MANAGER'S OFFICE



1 Note: Ms. L.M Mwale (Income Clerk) had been placed in MM's Office with her position and salary until further

-  Post not budgeted
 Post budgeted


ANNEXURE "B"
CORPORATE AND COMMUNITY SERVICES DEPARTMENT




Total approved posts = 19
 Total employed = 14
 Vacancies = 05
 Vacancy rate = 26%
 Employment rate 74%

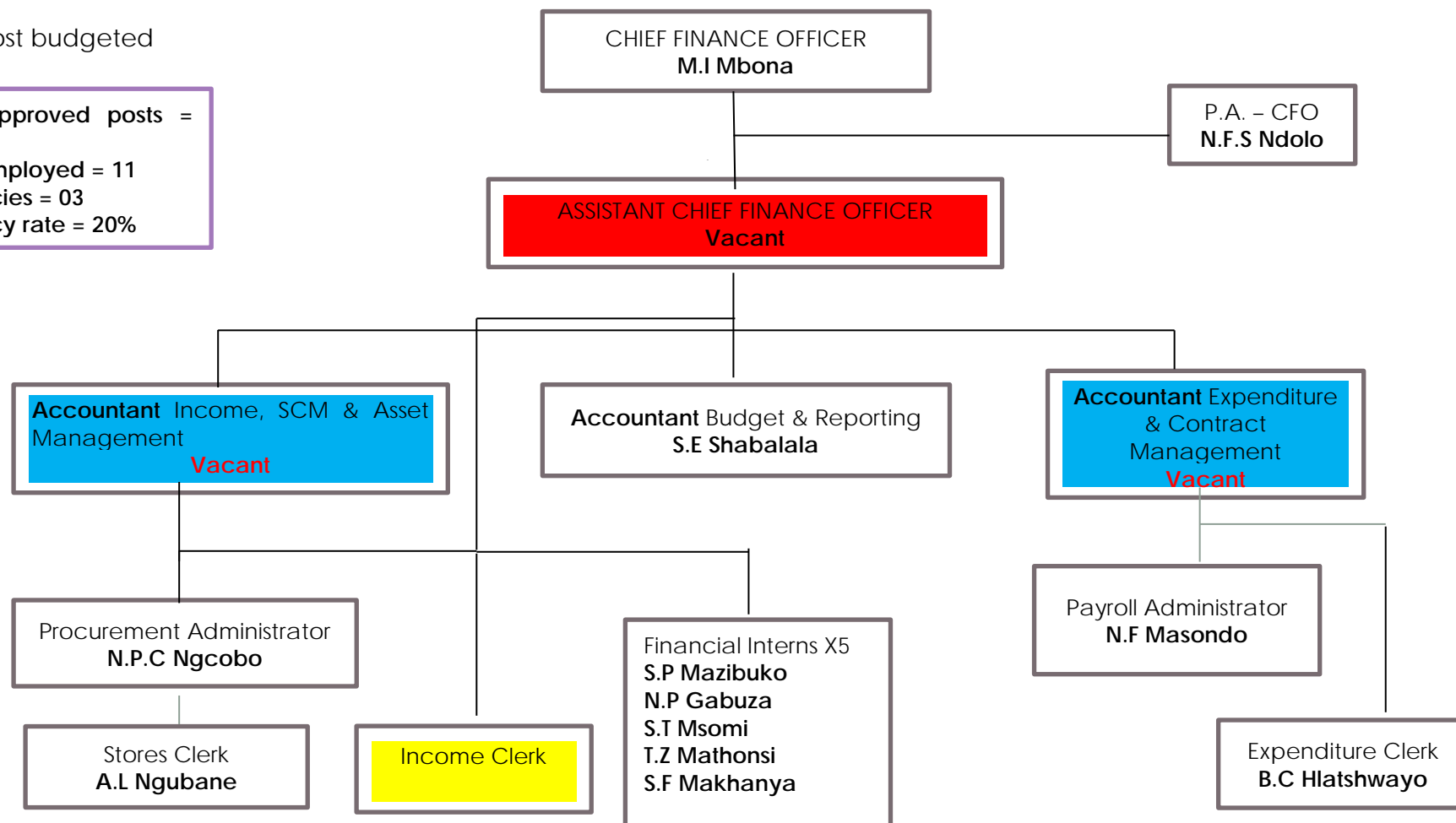
Note: Mrs. N.A Kubheka (Senior Accountant) had been placed in this Department with her position and salary until further notice.

ANNEXURE "C"
FINANCE SERVICES DEPARTMENT

 Post not budgeted

 Post budgeted

Total approved posts = 15
Total employed = 11
Vacancies = 03
Vacancy rate = 20%



ANNEXURE "D"
PLANNING AND TECHNICAL SERVICES DEPARTMENT

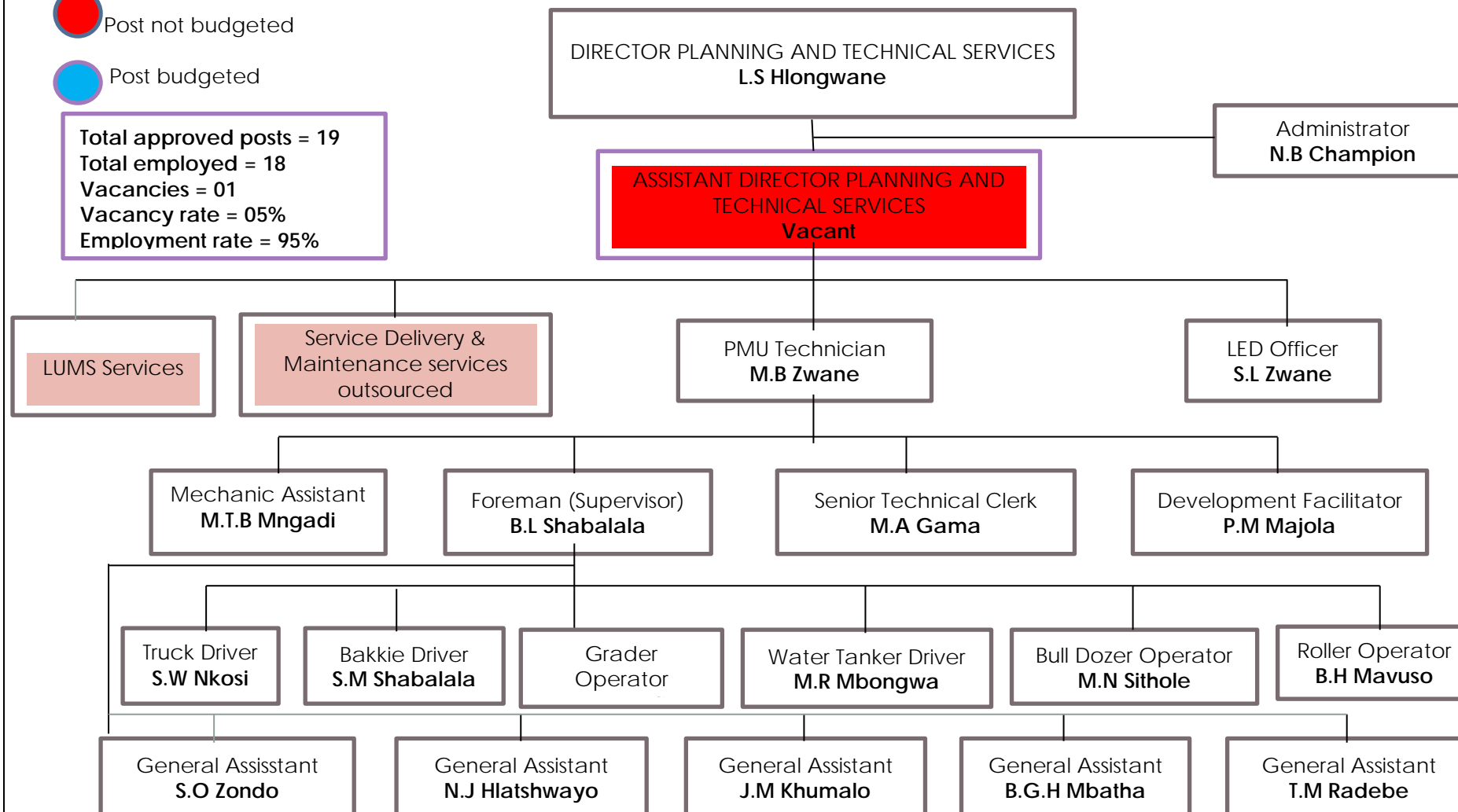


Post not budgeted



Post budgeted

Total approved posts = 19
Total employed = 18
Vacancies = 01
Vacancy rate = 05%
Employment rate = 95%



Please Note: At the moment the Planning function is outsourced and therefore reporting direct to the Director Planning and Technical Services.

C.3.4. Municipal Institutional Capacity & Status of Critical Posts

The municipality has filled all the section 54/56 positions thus it is operating with a full senior management complement. The post of the Municipal manager is filled by Mr. KS Khumalo and the CFO is Mr. MI Mbona and other two section 56 Directors who are Mr. LS Hlongwane and Mr. OS Mnguni, the Planning & Technical Services Director and Corporate & Community services respectively.

As part of amalgamation process, the Municipality will be submitting this organogram for the inclusion in the new municipal entity to be established.

C.3.5. Human Resource Development

C.3.5.1. Employment Equity Plan (EEP)

The Municipality is reviewing the EEP for the upcoming financial year. The Plan that the Municipality is currently using has ambiguous targets thus unable to fulfil equity in local government. The plan will be completed before the beginning of 2015/2016 financial year.

C.3.5.2. Workplace Skills Plan (WSP)

The municipality has developed a comprehensive Workplace Skills Development Plan for the period under review in accordance with the relevant legislation.

C.3.6. Implementation of EEP and WSP (2014/2015)

	Targets	Actual	Remarks
EEP			
WSP			

Municipal Human Resource policies

The municipality has developed a number of policies that deal with Human Resource issues. These strategies include the following:

	<i>Name of Policy</i>	<i>Date of Approval by Council</i>
1.	<i>Substance Abuse Policy</i>	27 March 2014 INMSC 38/2014
2.	<i>Succession Planning and Career Pathing Policy</i>	
3.	<i>Employee Promotion Policy</i>	
4.	<i>Communication Policy</i>	
5.	<i>Work Attendance and Punctuality Policy</i>	
6.	<i>Human Capital Retention Strategy</i>	
7.	<i>Employee Wellness Programme Policy</i>	
8.	<i>Employment of Senior Management Policy</i>	
9.	<i>Use of internet and e-mail Policy</i>	22 January 2015 INMSC 06/2015
10.	<i>Medical Examination Policy</i>	
11.	<i>Occupational Health and Safety Policy</i>	
12.	<i>HIV/AIDS Policy</i>	
13.	<i>Sexual Harassment Policy</i>	
14.	<i>Employment Policy</i>	
15.	<i>Pension Fund Policy</i>	
16.	<i>Unemployment Insurance Fund (UIF) Policy</i>	
17.	<i>Medical Aid Policy</i>	
18.	<i>Uniforms and Protective Clothing Policy</i>	

C.3.7. ICT Policy Framework

C.3.8. Action Plan Addressing AG Concerns

C.3.9. Municipal Transformation & Organizational Development: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the Indaka municipality's Municipal Transformation and Organizational Development. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none">∞ Approved Organizational Structure aligned to operational capacity∞ High level of commitment and willingness to conform by staff members∞ Indaka Municipality is no longer under Administration∞ Indaka received a favourable audit opinion from the Auditor General for the 2013/14 financial year.	<ul style="list-style-type: none">∞ Municipality unable to attract and retain highly skilled employees∞ Job evaluation incomplete∞ Functional IGR / Re-instate structures / start to participate at Forum Level;∞ Address and finalize suspension cases
Opportunities	Threats
<ul style="list-style-type: none">∞ Availability of funds for Staff Training	<ul style="list-style-type: none">∞ High labour turnover that causes admin instability.

C.4. BASIC SERVICE DELIVERY ANALYSIS

C.4.1. Water and Sanitation

The responsibility to provide water and sanitation services vests in the UThukela District Municipality, being the appointed Water Services Provider and also the Water Services Authority. The function as Water Services Provider is undertaken in terms of a Service Agreement between the Indaka Local Municipality and the UThukela District Municipality. In terms of this responsibility, UThukela District Municipality is responsible for the implementation of new capital projects to extend water services to those communities that have not been served thereby, and is also responsible for the operation and maintenance of these facilities.

In terms of the most recent update of the Water Services Development Plan, it has been indicated that substantial backlogs still exists in respect of water services within the Indaka Local Municipality, the detail of which is as reflected in the table hereunder as follows

Figure 15: UThukela District Water Services Development Plan Services backlog 2011

WATER	Ward 1		Ward 2		Ward 3		Ward 4		Ward 5		Ward 6		Ward 7		Ward 8		Ward 9		Ward 10	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
In Dwelling In Yard	77	3.74	239	10.08	294	14.62	225	10.16	713	33.33	340	19.35	97	5.23	17	0.88	13	0.63	101	6.11
Communal<200m	1757	85.25	1804	76.12	1254	62.36	1667	75.26	1397	65.31	535	30.45	316	17.03	6	0.31	40	1.95	344	20.82
Communal>200m<500m	72	3.49	145	6.12	65	3.23	182	8.22	12	0.56	177	10.07	15	0.81	21	1.09	43	2.1	671	40.62
Communal>500m<1000m	12	0.58	21	0.89	32	1.59	15	0.68	5	0.23	75	4.27	20	1.08	74	3.85	51	2.49	170	10.29
Communal>1000m	4	0.19	12	0.51	14	0.7	3	0.14	0	0	40	2.28	27	1.45	40	2.08	114	5.57	43	2.6
No Access	0	0	1	0.04	36	1.79	0	0	0	0	14	0.8	19	1.02	17	0.88	105	5.13	25	1.51
	139	6.74	148	6.24	316	15.71	123	5.55	12	0.56	576	32.78	1362	73.38	1749	90.9	1682	82.13	298	18.04
Backlog per ward	6.74%		6.24%		15.71%		5.55%		0.56%		32.78%		73.38%		90.90%		82.13%		18.04%	

According to the UThukela Water Services Development Plan various water schemes are in existence in Indaka LM. Ekuvukeni has a scheme that serves approximately 51 600 people through house connections. The primary water source for the existing water schemes is the Olifantskop Dam which is on the Sundays River. Certain villages like Oqungwini, Ehloniyane,

Mjindini, Emkhalandoda, Ilenge and Engedlengedleni still rely on boreholes and springs for water

Future water supply

The Driefontein Complex Project as it has been named is set to serve about 34 000 households in the Emnambithi and Indaka Local Municipalities with the supply of potable bulk water to alleviate the current and high water backlogs in some 10 formal villages in these municipalities. The ultimate water source of the project is Spioenkop Dam which is the only reliable source to meet the medium and long-term demands of the Driefontein Complex Project

It is planned that the Driefontein Complex Bulk Water Project be implemented in 11 distinct contracts, as mentioned below.

- i. To supply bulk water infrastructure within the Driefontein Complex including the development of Production Boreholes as an interim water source.
- ii. Development of bulk water supply infrastructure to realize bulk water supply from Ladysmith (Observation Hills Reservoir) to Hobsland Reservoir located within the Driefontein Complex.
- iii. Extension of the bulk water supply infrastructure from the Hobsland Reservoir to Matiwaneskop (Emnambithi LM).
- iv. Extension of bulk water supply infrastructure to Steincoalspruit.
- v. Further extension of the bulk water supply infrastructure to the existing Zandbult Reservoir (Ekuvukeni) to serve the ultimate needs of the Indaka Local Municipality.
 - 19.5km of the 630mm dia. PVC-O bulk water gravity feeder main to the existing Zandbult Reservoir in the Indaka Local Municipality area.
 - This development stage will also include construction of a 5ML balancing reservoir mid-way en-route the feeder main.

A Mhlumayo Community Water Supply Scheme Phase 4 is also planned for the Fitty Park and Waaihoek areas. The water source for this scheme is an existing extraction point in the Tugela River.

The 2011 Census indicates that 59% of households in the municipality receive piped water from a regional or local water supply scheme, 16% receive water from a borehole, while another 16% received their water from rivers or streams. These figures indicate that almost two thirds of the population of the municipality receives water to RDP standards.

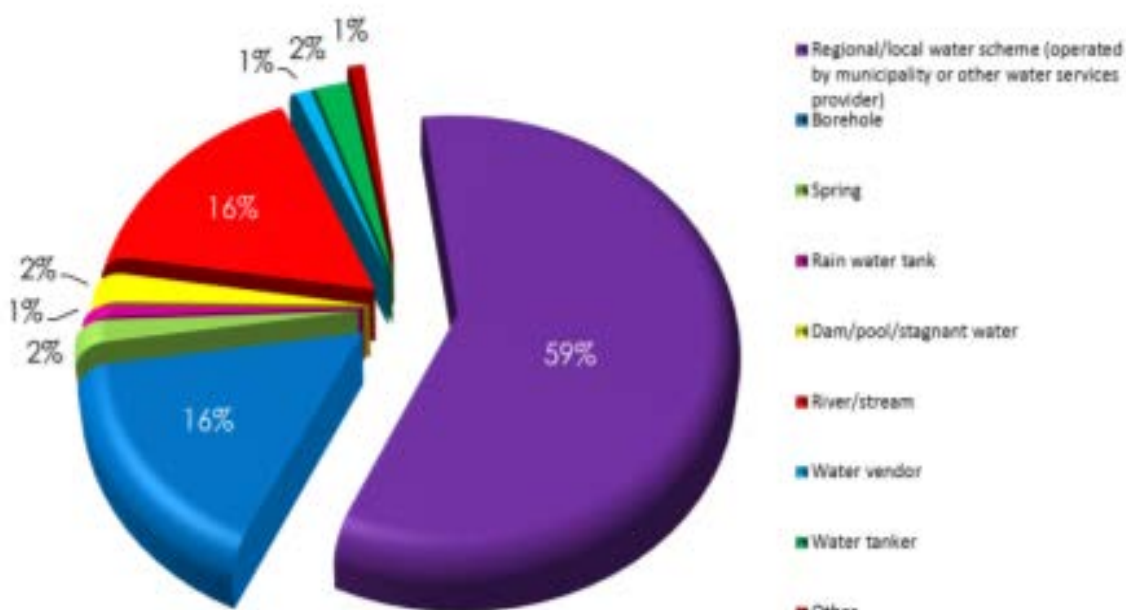


Figure 16: Water Provision (STATSSA, 2011)

A water backlog is defined by the RDP standard of 25l/c/d at a maximum distance of 200m of existing infrastructure. The uThukela District Municipality (UDM) is the Water Services Provider (WSP) and is responsible for the implementation of new capital projects to extend the provision of water services facilities and their maintenance thereof. The District's Water Services Development Plan (WSDP) indicates that the backlog of water services in Indaka is still substantial.

In terms of uThukela district municipality Free Basic Water Policy, all rural communities qualify for up to 6kl of free basic water. Urban indigent consumers are required to register as indigent consumers and thereafter qualify for up to 6kl of free basic water and the municipality is implementing the free basic water which is 6kl. The graph below is a breakdown of the backlog for household

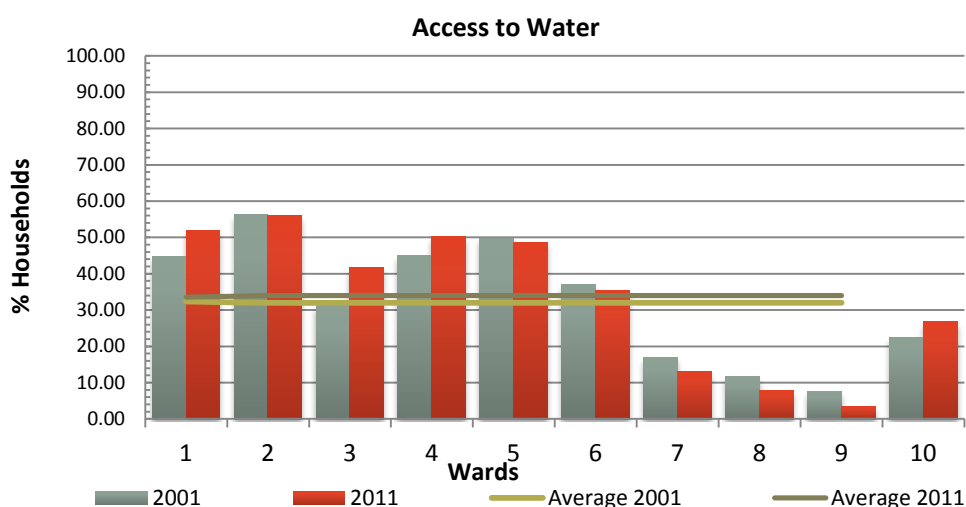
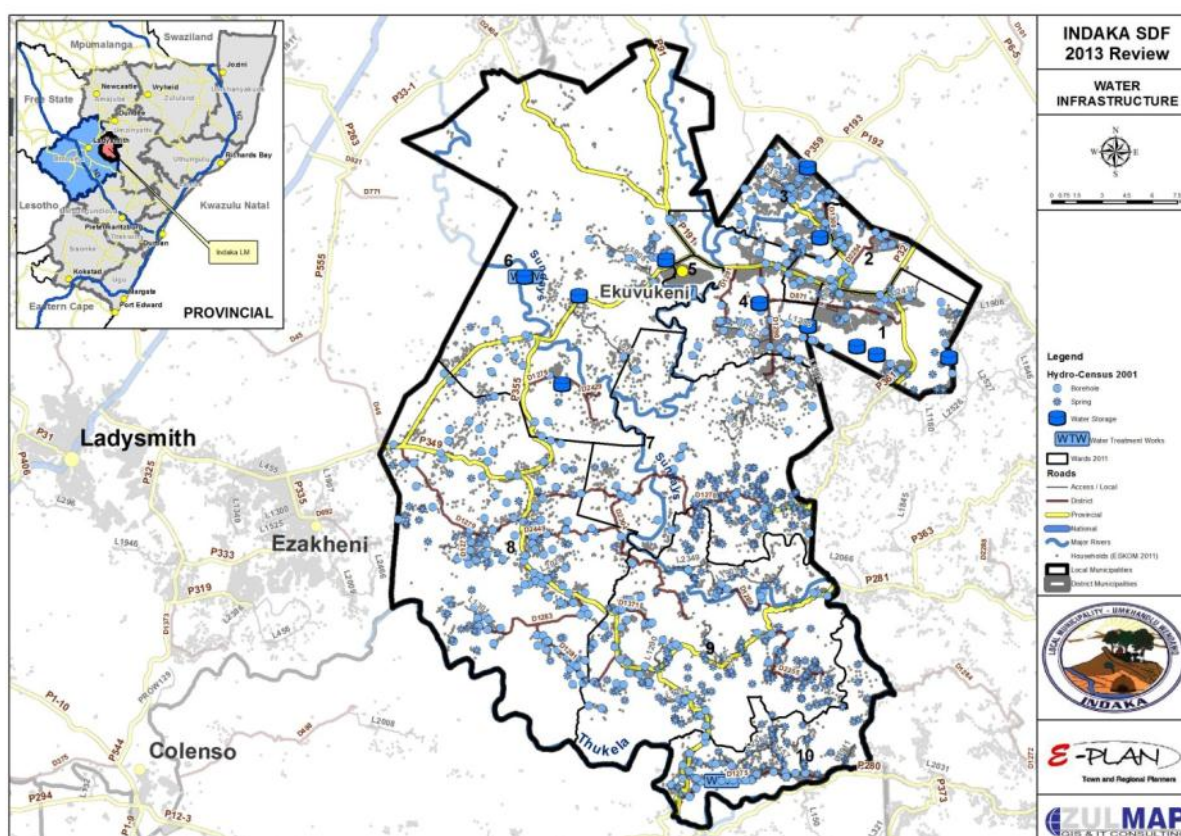


Figure 17: Access to RDP Standard Water Stats SA (2011)

MAP 25: Bulk Water Infrastructure in Indaka Local Municipality



Sanitation

Sanitation is mainly effected through the provision of ventilated improved pit latrines to individual households, with the exception of the clinics, for which waterborne sanitation was provided. However Limehill Complex and Ekuvukeni do have an operating sewer system with the wastewater treatment works situated in Ekuvukeni.

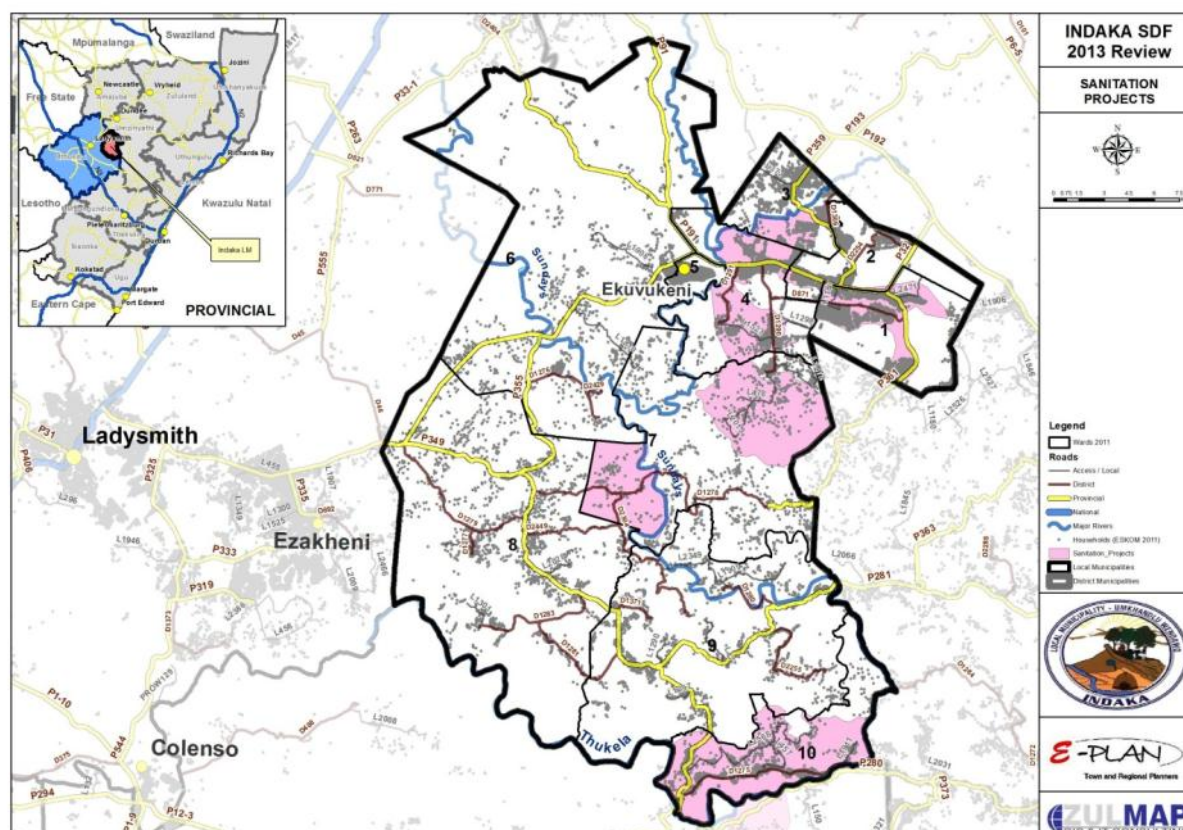
According to UThukela District Municipality's 2013/14 IDP there are 5 443 households without adequate sanitation facilities in Indaka. According to the 2011 Stats SA census 3 793 households are without access to adequate sanitation. The table below is an extract from the UThukela Water Services Development Plan.

SANITATION	Ward 1		Ward 2		Ward 3		Ward 4		Ward 5		Ward 6		Ward 7		Ward 8		Ward 9		Ward 10	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Sewerage	13	0.63	43	1.81	56	2.78	26	1.17	2047	95.74	476	27.11	10	0.54	5	0.26	4	0.2	12	0.73
Septic	6	0.29	37	1.56	22	1.09	15	0.68	52	2.43	17	0.97	9	0.48	5	0.25	15	0.73	13	0.79
Chemical	4	0.19	12	0.51	20	0.99	174	7.85	1	0.05	38	2.16	4	0.22	13	0.68	50	2.44	118	7.14
Bucket	113	5.48	4	0.17	10	0.5	3	0.14	2	0.09	5	0.28	5	0.27	18	0.94	12	0.59	10	0.61
Pit: with ventilation	1115	54.07	1229	51.83	557	27.66	647	29.2	7	0.33	286	16.29	562	30.28	83	4.31	604	29.52	950	57.51
Pit: no ventilation	728	35.31	733	30.92	1317	65.39	1248	56.32	7	0.33	162	9.23	219	11.8	499	25.92	597	29.18	281	17.01
Other	73	3.54	179	7.55	5	0.25	1	0.05	6	0.28	94	5.35	339	18.27	39	2.03	177	8.65	0	0
None	10	0.48	134	5.65	27	1.34	102	4.6	16	0.75	678	38.61	708	38.15	1263	65.61	587	28.69	268	16.22
Backlog per ward	4.02%		13.20%		1.59%		4.65%		1.03%		43.96%		56.42%		67.64%		37.34%		16.22%	

Future sanitation supply

A programme for the implementation of sanitation in the form of ventilated improved pit latrines on a prioritized basis has in the past been approved by the UThukela District Municipality, which project will continue over the district area on a prioritized basis, which also includes for the supply of these facilities to selected areas on a prioritized basis within the Indaka Local Municipality.

MAP 11: Bulk Sanitation Infrastructure in Indaka Local Municipality



C.4.2. Solid Waste Management

According to the 2011 Census, 24.9% of the households do not have access to refuse removal. Approximately 59.3% of households are disposing of refuse through their own means and 1.3% through communal sites. Only 14% of the households are serviced by the local authority at least once per week.

Refuse Disposal	Census 2001	Census 2011	Variance
Removed by Local Authority at least once a week	12.7%	13.4%	0.7%
Removed by Local Authority less often	0.5%	0.6%	0.1%
Communal refuse dump	1%	1.3%	0.3%
Own refuse dump	54.5%	59.3%	4.8%
No rubbish disposal	31.2%	24.9%	-6.3%
Other	0%	0.5%	0.5%

Table 6: Indaka Municipality - Access to Refuse Disposal per Household (%): 2001 – 2011

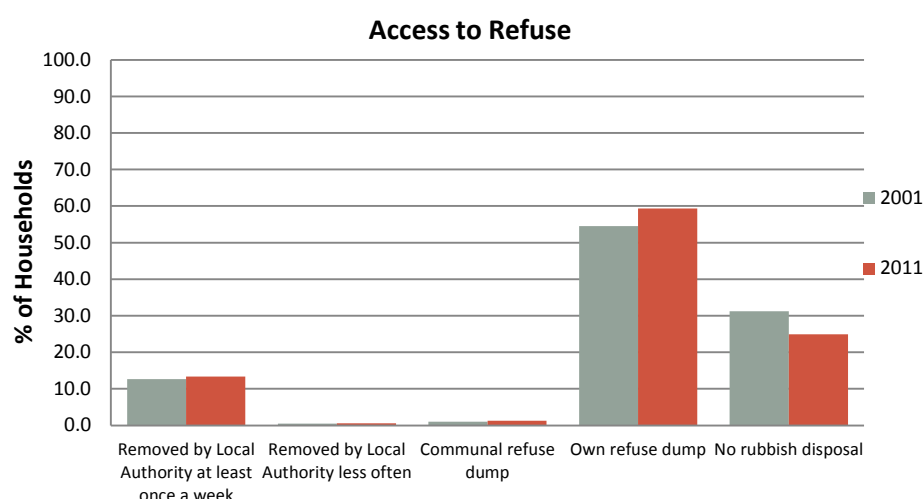


Figure 18: Indaka Municipality - % of Households Access to Refuse (Stats SA 2011)

C.4.3. Transportation Infrastructure

The transportation network in the form of roads and rail infrastructure plays a critical role in determining the structure of the area while creating opportunities for investment. This is due to the transportation network providing linkages between different areas, while influencing the level of access to social and economic opportunities whereby the quality of life for individuals can be enhanced.

Indaka Municipality is not traversed by any national roads, but has a network of provincial and district roads. These roads service the municipality itself and carry primarily local traffic. The most important provincial road is the Helpmekaar Road, which runs from Ladysmith through Ekuvukeni and the Limehill Complex, before linking with the Dundee-Pomeroy road (MR 32).

From the road, a network of district and provincial roads service the northern areas of the municipality, with links to Elandslaagte, Wasbank and Wesselsnek to the north possible by means of provincial roads. The road network through the area has played an important role in the distribution of settlements, with most settlements in the municipality located along the provincial and district roads.

The predominant forms of transportation in the municipality are by taxis and buses. Nodal bus stops/taxi ranks have been identified at:

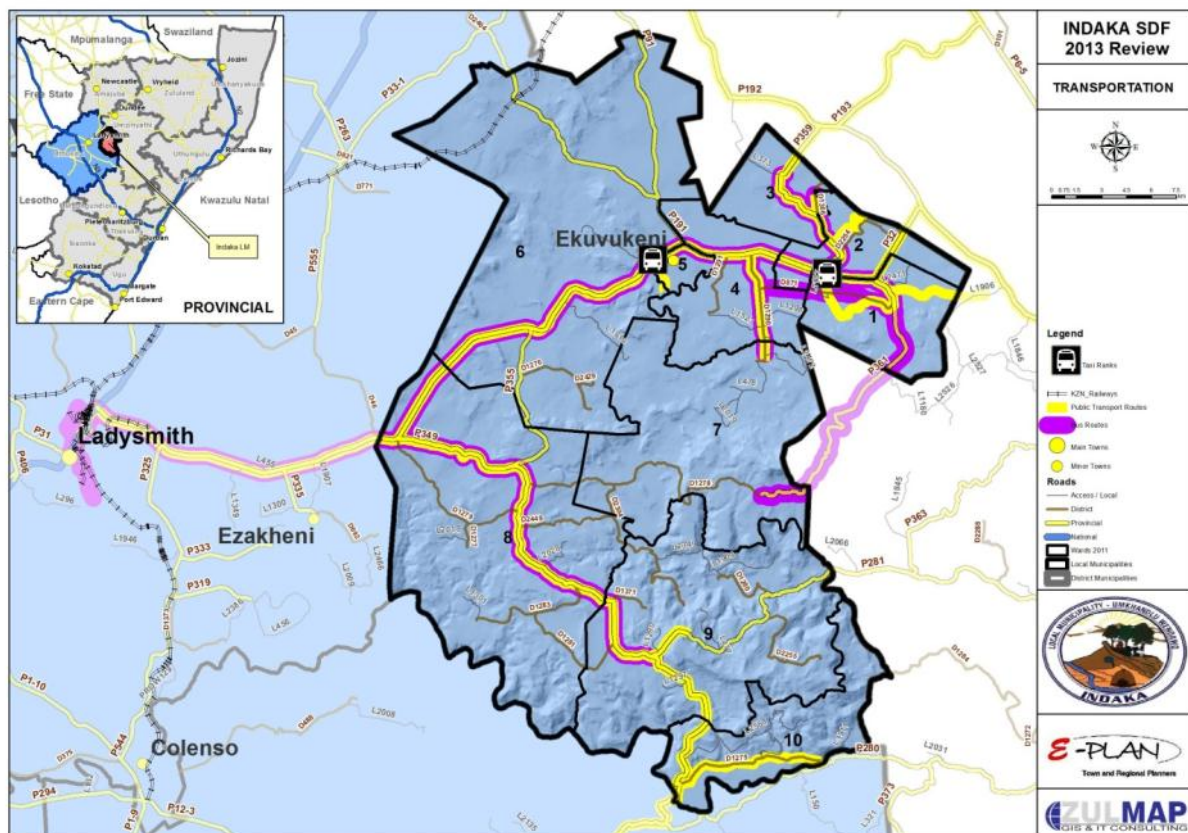
- Ekuvukeni;
- Klipriver;
- Waaihoek;
- Uitval;
- Sithole Tribal Authority (serving the Umhlumayo area).

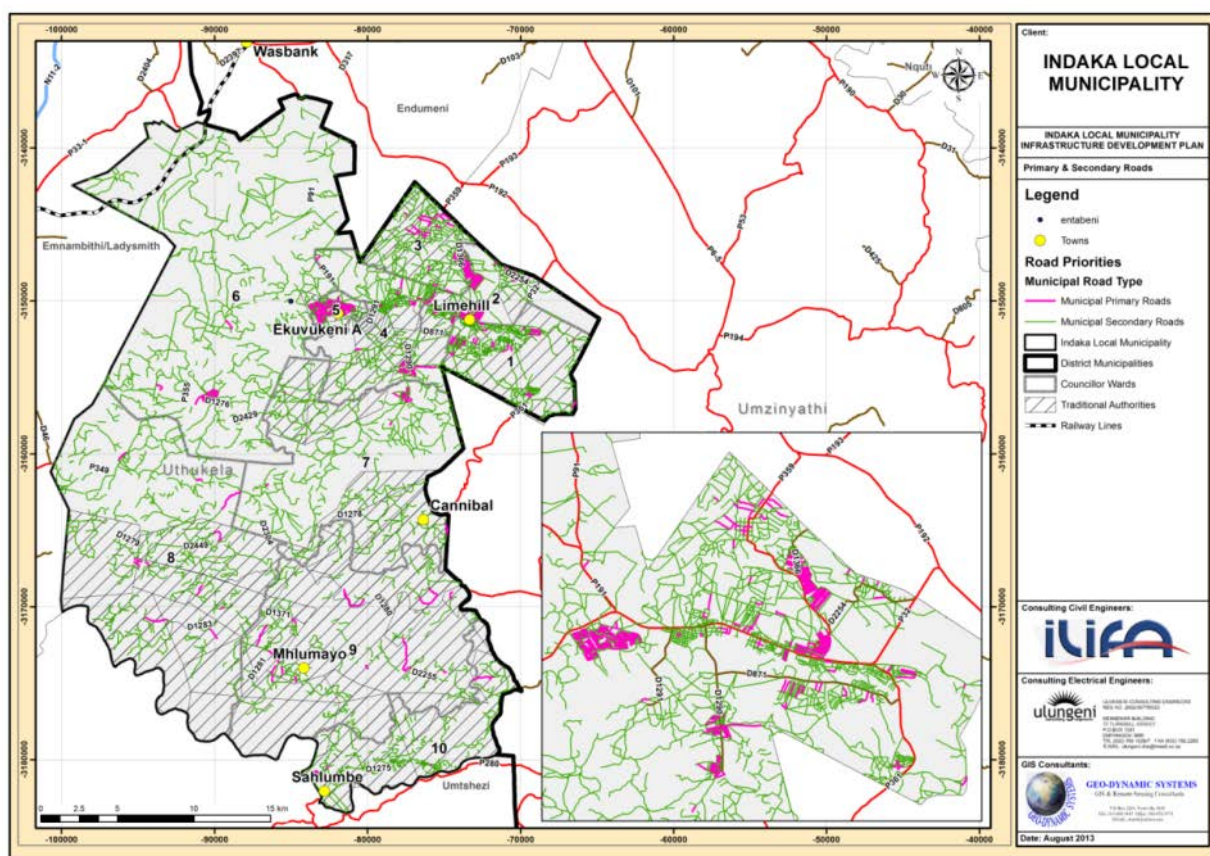
In an effort to redress the backlogs of roads infrastructure, the UThukela District Municipality is involved in the three access roads projects in the area.

The issue of access roads in the municipality is a very serious one. This is because most of the community access roads are in very bad condition and some now only exist as tracks. Given the impact that HIV/AIDS will have, it is argued that a demand for access roads will increase

as more people will be requiring transport to collect the sick from the settlements that are currently not accessible

MAP 26: Road network in Indaka Local Municipality





MAP 27: Prioritised Road network in Indaka Local Municipality

C.4.4. Energy

Eskom, the national electricity supplier, supplies electricity in bulk within the municipality and supply to rural areas is slow due to high costs associated with scattered settlements and no anchor clients.

Electrical infrastructure is widely spread over the Indaka municipal area, with only a small percentage of households not connected, mostly along the fringes. Ward 8 has the largest backlog of 88%. The backlogs in Ward 1 and 10 are indicated as 0%. This can only be due to inaccurate census data for the total number of households as both these wards still have a backlog according to the infrastructure plans. The backlogs in electrification in terms of the respective wards within the municipal area are provided in the following table.

Wards	Households	Population	Households electrified	Backlog %
Wards 1	2129	10257	2266	0%
Wards 2	2594	11468	2200	15%
Wards 3	2208	9909	1780	19%
Wards 4	2263	11120	1961	13%
Wards 5	2639	8966	2144	19%
Wards 6	2224	9687	1115	50%
Wards 7	1334	10393	440	67%
Wards 8	1479	11157	176	88%
Ward 9	1444	10967	907	37%
Ward 10	995	9193	1016	0%
Total	19309	103117	14005	27%

Table 7: Indaka Electrical Infrastructure Backlog.

With 27% of households not connected to the Eskom Grid, a prioritized needs analysis was done per ward. The electrification in Indaka will remain in the hands of Eskom and Eskom's prioritization of electrification projects will apply if alternative funding cannot be sourced.

Operation and maintenance

Eskom is the supply authority in this KZ and Eskom is thus also responsible for Operations and Maintenance of all electrical infrastructures.

Prioritized programme

A prioritized programme was established to eradicate the backlogs in the Municipality to derive at an estimated capital cost. The prioritization is based on connecting the households within 300m of a transformer first and secondly the households within 300m of a power line. The subsequent phases can be implemented based on eradicating the backlogs in the wards starting with the largest backlog.

Capital requirements for electrification

The capital requirement forecast is as follows:

Within 300m of transformer	3239 HH to be Electrified	= R14 575 500.00
Within 300m of the line	195 HH to be Electrified	= R 877 500.00
Phase 1	40 HH to be Electrified	= R 180 000.00
Phase 2	280 HH to be Electrified	= R 3 780 000.00
Phase 3	460 HH to be Electrified	= R 6 210 000.00
Phase 4	471 HH to be Electrified	= R 6 358 500.00
Phase 5	99 HH to be Electrified	= R 1 336 500.00
Phase 6	74 HH to be Electrified	= R 999 000.00
Total		= R34 317 000.00

The mapping below indicates the spatial distribution of the electrical supply network as well as the prioritization for implementation.

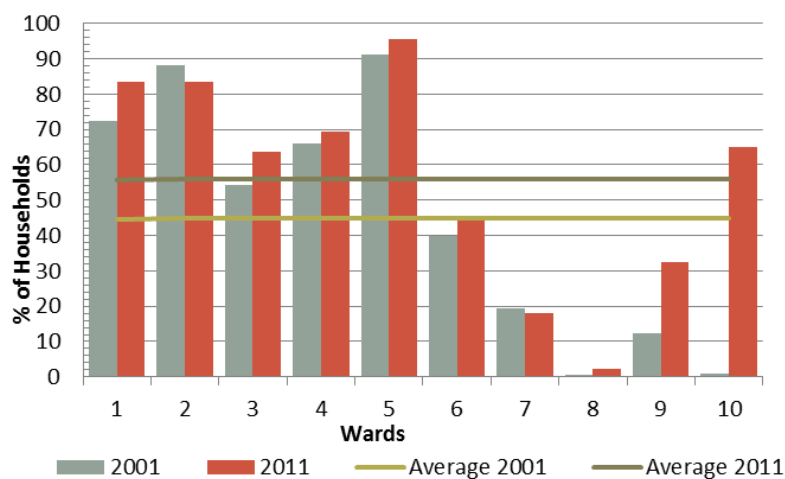
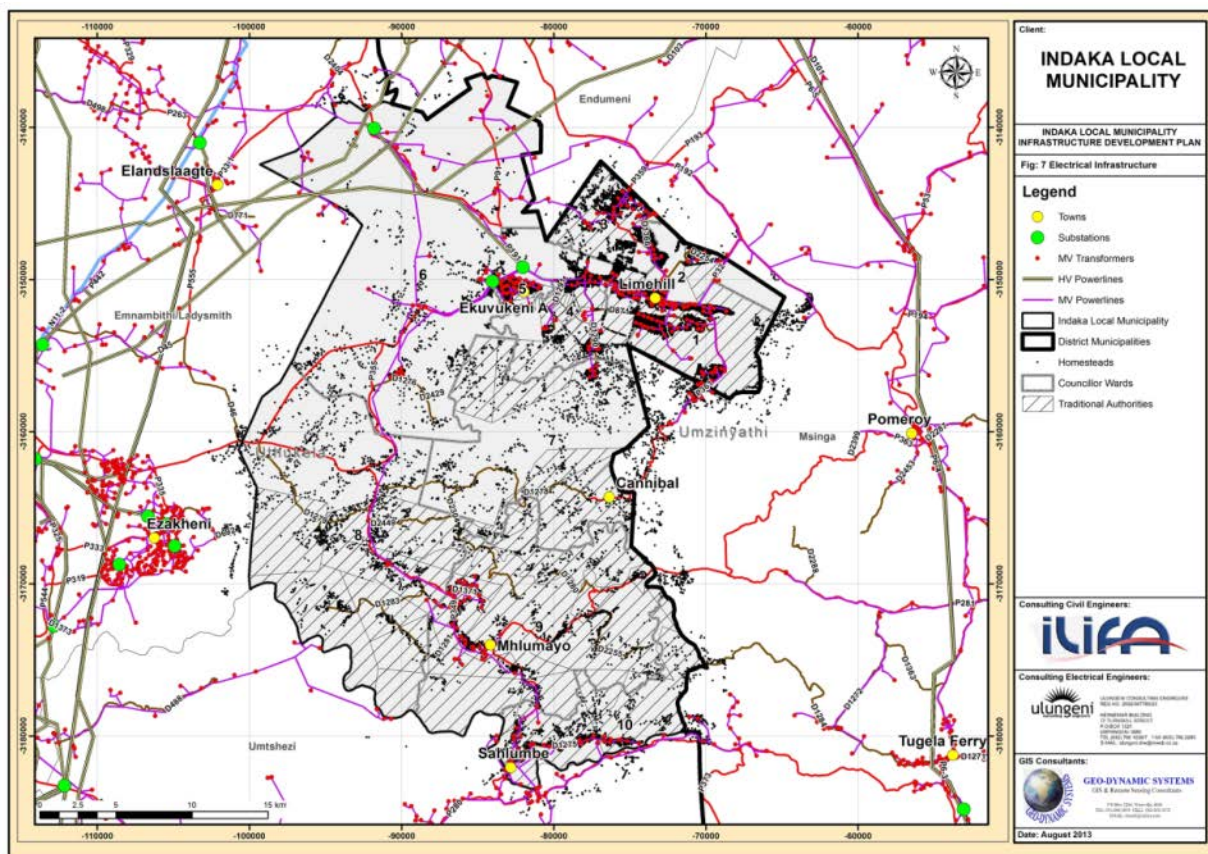


Figure 19: Electricity Provision per ward (Stats SA 2011)

According to the Census 2011, 45.4% of households are using wood for cooking, 40% use electricity and 7% use paraffin. The use of electricity for cooking has increased by 25, 8% from 15, 1% in 2001 to 40.9% in 2011.

Energy Usage	Census 2001	Census 2011	Variance
Electricity	15.1%	40.9	25.8%
Gas	2.3%	1.8%	-0.5%
Paraffin	21.6%	7.1%	-14.5%
Wood	52%	45.4%	-6.6%
Coal	7.1%	3.7%	-3.4%
Animal Dung	0.2%	0.5%	0.3%

Table 8: Indaka Municipality - Comparison of Energy Used for Cooking per Household (%): 2001 - 2011

According to the Census 2011, the majority of households utilise wood for heating (45.4%), 7.1% utilise paraffin and 3.7% utilise coal, while 40.9% use electricity which has increased from 11.2% in 2001.

Energy Usage	Census 2001	Census 2011	Variance
Electricity	11.2%	28.01%	16.81%
Gas	0.9%	0.14%	-0.76%
Paraffin	9.4%	5.10%	-4.30%
Wood	56.2%	52.14%	-4.06%
Coal	19.6%	6.05%	-13.55%
Animal Dung	1.5%	0.63%	-0.87%
Other	1%	0.11%	-0.89%

Table 9: Indaka Municipality - Energy Used for Heating per Household (5): 2001 - 2011

According to the Census 2011, 58.2% of households use electricity for lighting an increase of 11.4% from 46.8% who utilised electricity in 2001. There is still a very high use of candles, which has decreased from 49% in 2001 to 38.8% in 2011.

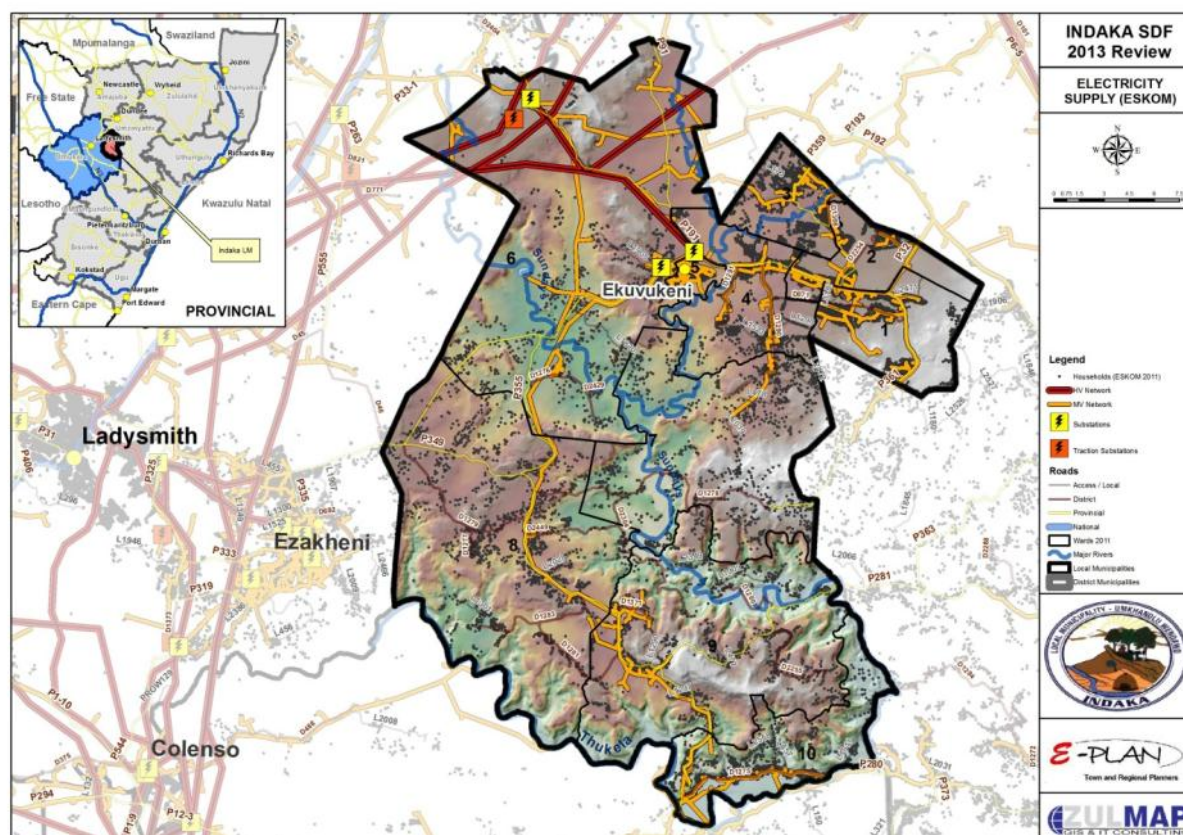
Energy Usage	Census 2001	Census 2011	Variance
Electricity	46.8%	58.2%	11.4%
Gas	0.2%	0.3%	0.1%
Paraffin	3.4%	1.6%	-1.8%
Candles	49%	38.8%	-10.2%
Solar	0.2%	0.4%	0.2%
Other	0.4%	0	-0.4%

Table 10: Indaka Municipality - Energy Used for Lighting per Household (%): 2001 - 2011

Provision of Free Basic Services

The Municipality is providing 1000 residents 50 Watts free electricity through Eskom. The Municipality has R1 000 000 budget set aside for this service.

MAP 29: Bulk Electricity Supply Network in Indaka Local Municipality



C.4.5. Access to Community Facilities

The Indaka Municipality has a general lack of social services, in comparison to its population size. Compounding the issue is the fact that the municipality is riddled by poverty and associated general lack of private social facilities.

Social Facility	Quantity
Police Station:	1
Schools:	83
Community Hall	5
Health Facilities:	5
Libraries:	1

Table 11: Social Services

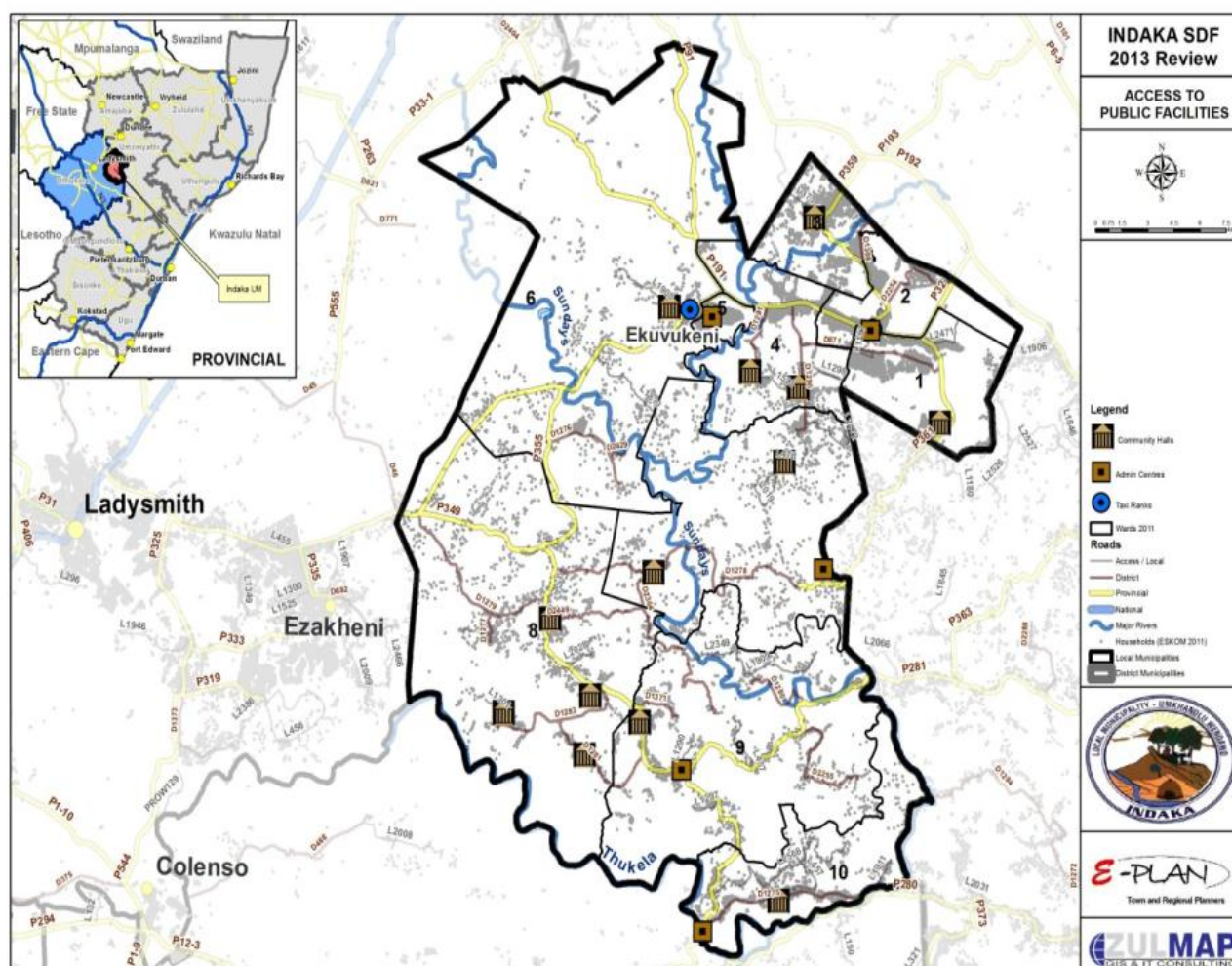
The table above shows that there is only one police station, which serves the municipal area. The location of this police station, in the Ekuvukeni settlement is not such that it can effectively serve the entire municipal area, especially not the southern areas of the municipality, in the region of the Tugela River.

There are 83 schools in the municipality, which effectively means that there are more than 800 children per school on average. Considering the size of the school structures and the associated number of teachers and classrooms, it can safely be assumed that the schools are generally overcrowded. Further to this, the service provision to schools in the area is not up to standard and causes situations which are not conducive to learning.

There are only 5 community halls in the municipal area, meaning that each community hall serves approximately 20,000 people. These community halls are not necessarily located at points which make it accessible to all the inhabitants of the area. At the Municipal Strategic Session during December 2011, it was also established that these community halls are subject to a lot of vandalism.

There are seven clinics and one library located in the municipality. Both of these services are inadequate and this situation contributes to the levels of deprivation and poverty in the area. Accessibility of most residents to these facilities falls far short because of the unacceptable standards.

MAP 30: Social Facilities in Indaka Local Municipality



C.4.6. Service Delivery & Infrastructure: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect service delivery and Infrastructure development in the Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none"> ∞ Delivering of Basic services with limited resources ∞ Availability of MIG funding ∞ Understanding of services backlogs 	<ul style="list-style-type: none"> ∞ Lack of financial Base to collect ∞ Insufficient resources ∞ High Staff turnover ∞ Lack of Social Support Infrastructure; ∞ Dysfunctional Infrastructure Scheme; ∞ Resolution Execution / Implementation ∞ No infrastructure Plan
Opportunities	Threats
<ul style="list-style-type: none"> ∞ Land availability ∞ Access to MIG funding for provision of basic services ∞ Skills development ∞ Strategies/measures to reduce backlogs 	<ul style="list-style-type: none"> ∞ Lack of updated backlog data ∞ Lack of communication with sector departments ∞ Withdrawal of funds due to slow pace in capital expenditure

C.5. LOCAL ECONOMIC DEVELOPMENT ANALYSIS AND SOCIAL DEVELOPMENT ANALYSIS

C.5.1. Local Economic Development Analysis

In line with the above, it is clear that Indaka currently relies heavily on subsistence agriculture, government services, government grants and migrant worker income to sustain its residents. The municipality is geographically located on the periphery of the coal rim, Midlands Economic Development Cluster and the battlefield node. There is very limited economic development within Indaka Municipality due to its lack of natural resources, lack of revenue and its distance from any major tourist routes and markets.

According to the Municipality's Local economic Development Strategy Indaka is not an economically functioning region. The area has very few economic activities of its own and it largely functions as a dormitory residential area which contributes to the economies of Ladysmith/ Ezakheni and the lesser extent Dundee/ Glencoe. This is mainly attributed to the fact that the entire municipality has no formal and/or proclaimed town which can serve as an engine for attracting retail and trade type of investments. As a result, the area is unable to attract inwards investments that could address economic development challenges.

The above-said of economic development, there is a high rate of unemployment by the active population who are residing within the area. In fact the municipality is also unable to benefit from the revenue that other municipalities (with towns) get which includes the property rates and service charges (i.e. refuse removal levy, traffic fines etc.)

Indaka's economy is reliant on subsistence agriculture, government services and private household employment. A challenge is therefore to examine and exploit other economic development opportunities. This municipality is geographically located on the periphery of the Coal Rim, Midlands's economic development cluster, and the battlefield route. The agriculture potentials are limited. The sector is not well established and currently occurs on adhoc basis. Indaka has an abundance of underutilized land parcels which offer an opportunity for economic advancement. Astoundingly, obstacles to economic development are related to institutional development, lack of resources and local of comparative advantage."

Municipal Comparative & Competitive Advantages

Notwithstanding the numerous challenges that the Indaka Municipality is faced with, there are various opportunities that are offered by features within the municipality.

Natural Landscape

Indaka Municipality is characterized by two drainage systems - uThukela and Sundays River. The fast flowing uThukela Rivers form the southern boundary of the municipality, with tributaries drainage southern wards to the river.

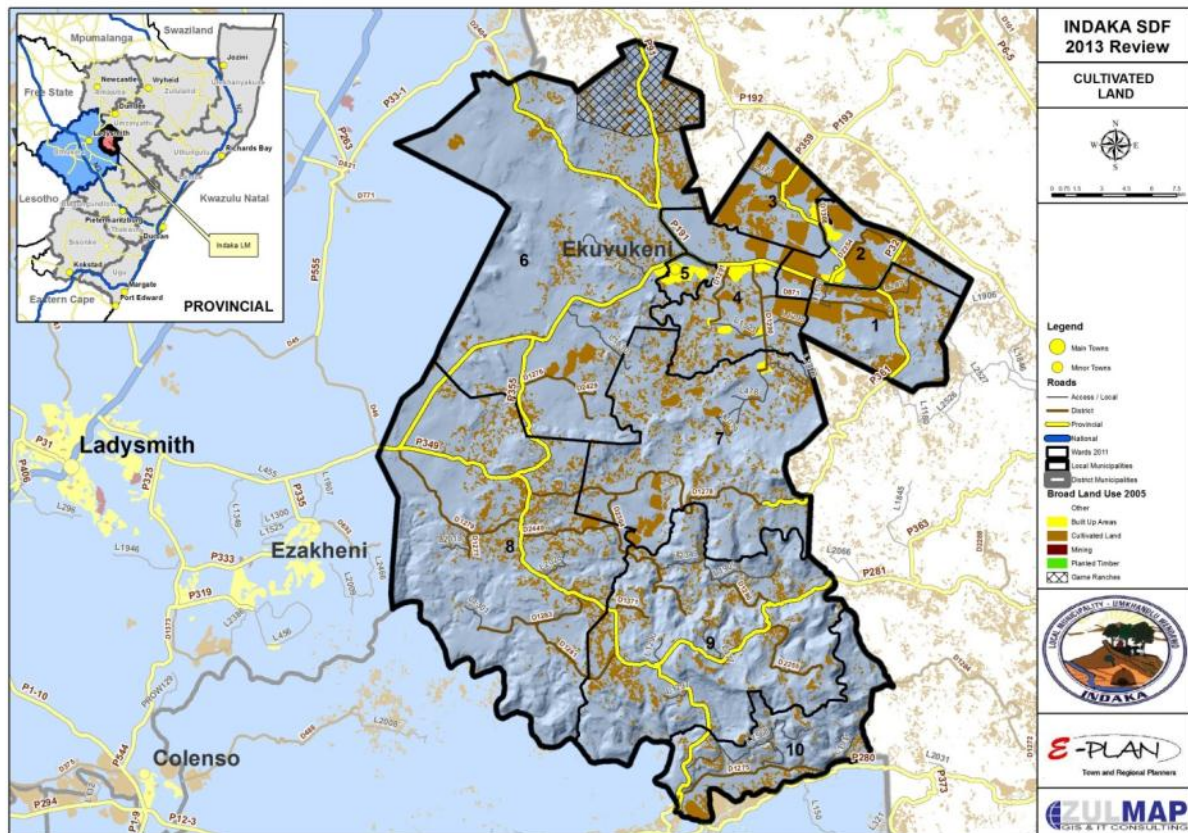
Sundays River drainage basin forms the major proportion of Indaka municipal area. The flowing of these rivers through the municipality is viewed as an opportunity because they act as centripetal force to the industries to the municipality and also make water supply projects possible to the municipality.

Suitable Arable Land and Land for Infrastructural Development

Indaka Municipality has plenty of unoccupied land. Therefore, this municipality is suitable for physical development projects e.g. housing. Though agricultural potential is limited at

Indaka, there are some areas that have been identified as having good and moderate agriculture potential.

MAP 31: Cultivated Land in Indaka Local Municipality



Location and Accessibility

Indaka Municipality is not transverse by any national roads, but has a network of provincial and district roads due to its proximity to N3 and N11. These roads service the municipality itself and carry primarily local traffic. The most important provincial road is the Helpmekaar road, which runs from Helpmekaar through Ekuvukeni and the Limehill Complex, before linking with Dundee Pomeroy road (MR32). From the road, a network of district and provincial roads service the northern areas of the municipality which links to Elandslaagte, Wasbank and Wesselsnek to the North, possible by means of provincial roads.

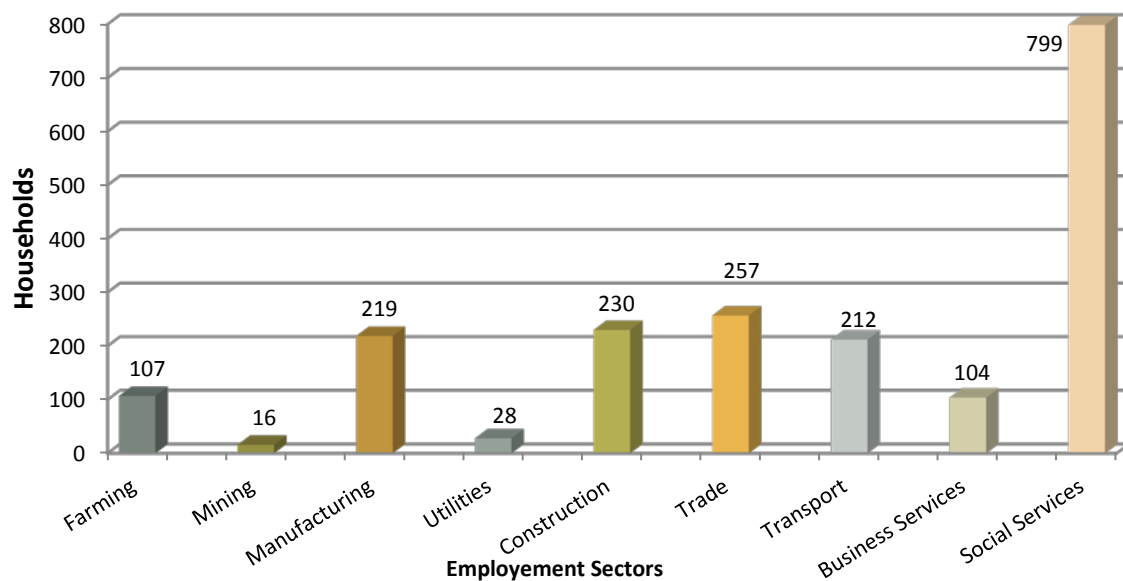
Tourism

Tourism, though, is a sensitive industry and has a possibility to grow with two projects that include: picnic site, cultural village and cannibalism route. Cannibalism route project is under implementation. Tourism seems to be growing slightly at Indaka, but the disturbing factor is crime and investment opportunities which are very limited.

Main Economic Contributors

Employment within the Indaka Municipality is broken down into the following industries, with employment figures shown as the number of people employed in each sector. (<http://www.kzntopbusiness.co.za>):

Figure 20: Employment within Indaka Local Municipality

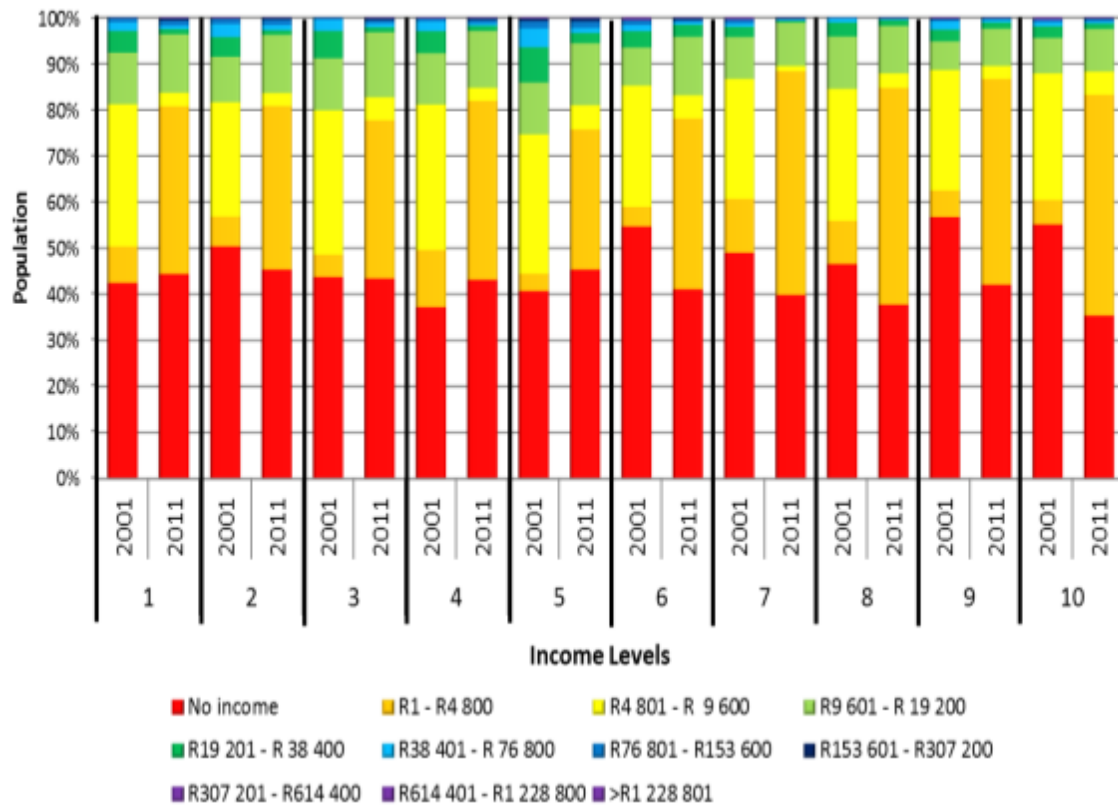


The high level of people employed in the Social Services Sector of the economy indicates the high dependency levels which are prevalent in the municipality. Other considerable economic employment sectors include trade, mining, manufacturing and construction. It can safely be assumed that the majority of economically active people in the municipality are active in the informal sector, specifically in subsistence and small scale farming.

Employment and Income Levels

The largest portion of the employed in the Indaka Municipality is found in the occupation sector of technical and associated professionals (20%). Elementary occupations are the second largest employment sector in the municipality, with 17% of the employed active in this sector. Of note is the low number of professionals (which include teachers, health workers, managers, and other professionals). This also serves as a contributing factor to the high levels of poverty in the municipal area, through various social and economic downstream effects.

Figure 21: Levels of Income Per Ward (Stats SA 2011)



Occupational Profile

The majority of respondents in the Census 2011 indicated that they participated in Undetermined or unspecified categories of work. One can deduce that these people are largely involved in the informal sectors.

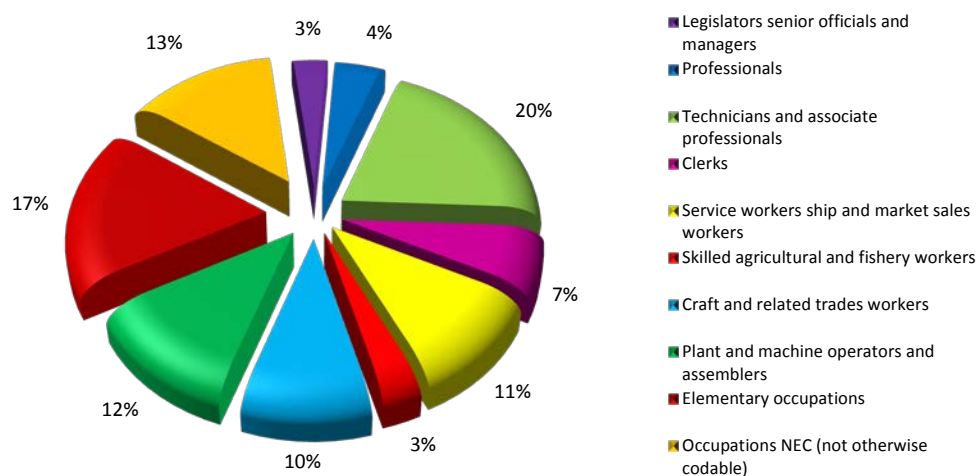


Figure 22: Occupational Profile (Stats SA 2011)

Employment per Sector

The following sectors employ residents within the municipality, namely:

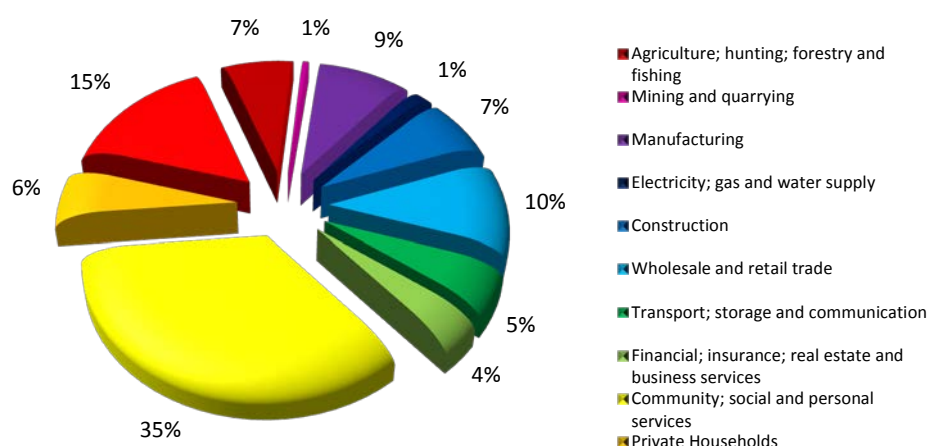


Table 12: Employment per Sector

As can be seen from these statistics, the majority of residents (35%) indicated that they were employed in the community; social and personal services sector. 15% indicated they were employed in sectors not specified in the survey and could indicate that they are employed in the informal sector.

Agriculture

There is extremely limited agricultural potential due to settlement pressure, traditional farming methods, poor bio-resource groupings and limited irrigation potential. At present most of the agricultural undertakings are for household consumption, with the exception of projects located along the Tugela and Sundays River, which have tremendous irrigation potential at a large scale.

The prevalence of dongas, soil erosion and soil impoverishment are major indicators of poor environmental management within the municipality. This is a major problem in that most of Indaka's residents depend on subsistence agriculture for food and do not have the means to correct the environmental degradation which has taken place over the years.

The nature of agriculture in the Indaka Municipal area is characterised by fragmented subsistence cultivation, traditional animal husbandry and the widespread production of Marijuana (Dagga) for diverse national markets. There is a strong correlation between agricultural under-development and marijuana cultivation since the latter is an important source of household income utilised for the purchase of basic commodities.

The municipality has identified agricultural pilot projects intended to generate maximum local economic development within the Municipal Area. The projects will act as learning opportunities for both the Municipality and the participants. A number of the sites were identified as having potential for the establishment of agricultural projects, while others were found to be less favourable.

- Potential for cultivation (based on the soils)
- Accessibility
- Infrastructure
- Potential for irrigation.

- Oqungweni (Site 2b in particular);
- Mangweni/ Mahlokoma (Site 3);
- Kwanogejane (Site 6);
- Nhlambamasoka Plateau (Site 7);
- Mahlutshini 1 (Site 9);
- Somsuku (Site 13).

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The Department of Rural Development and Land Reform has initiated projects in partnership with local cooperatives organisations. These projects are intended to uplift the standard of living for rural communities. These projects are located in ward 8 and 9. The projects include poultry, block making and animal feeding facility.

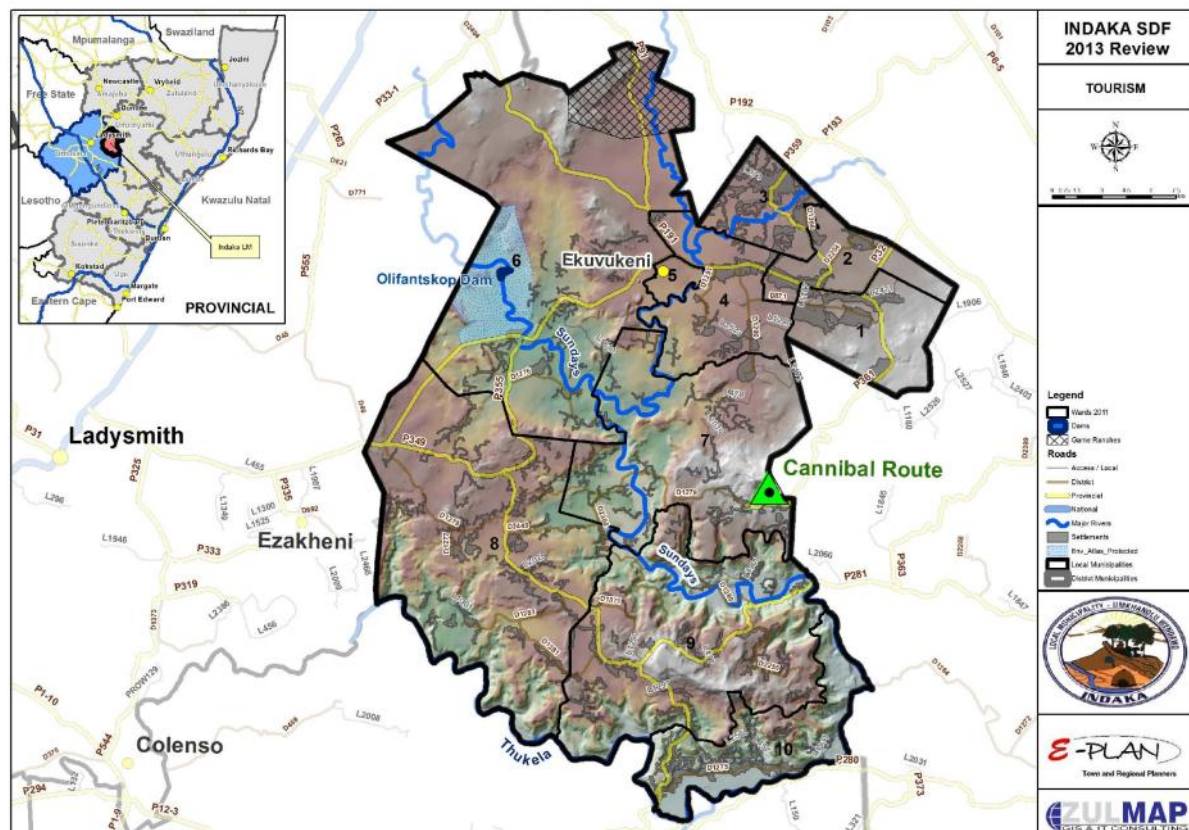
DRDLR PROJECTS FOR 2015/2016

NAME OF PROJECT	WARD	VILLAGE	ENTERPRISE TYPE	BACKGROUND
Maphuzukumila Primary Cooperative	8	KwaMteyi	Poultry production	The project members started Poultry Production in 2013. The project is highly implementing poultry production in order to supplement the cash flow as they have seen a demand of chicken in the local community. The co-operative is currently utilising a church building and do not have proper equipment to rear their chicks. The Products are sold at pension pay outs and to the surrounding communities. For 2014/15 the Dept. has supported them with a business plan
Asakheni Primary Cooperative	8	KwaMteyi	Block making	The project is a block making enterprise. It comprises of 8 members (all youth). The Department has supported them with blockmaking machines, jojo tank, cement & sand to manufacture blocks.
Mhlumayo Custom Feeding Programme	9	Mjindini	Animal feeding facility	The Mhlumayo Custom Feeding Program is implemented by the Department in partnership with National Agricultural Marketing Council(NAMC). The Dept has signed a Red Meat Programme SLA with NAMC and they have sites in various Provinces as well. The Feeding programme involves the owners (community members) bringing the animals to the feedlot to be fed and fattened and then sold. When sold the money is handed to the owner of the animal. As from December 2014, 14 cows have been sold. Members of Siyaphambili Livestock Association are also part of the the Programme

Tourism

Tourism is a sunrise sector at a global level, with virtually all global nations pursuing tourism development in an attempt to inject economic growth capable of sustaining the ever increasing population. The location of the region and the municipality within the Battlefields, and the recognition of these respective authorities in the evolving provincial Tourism Development Strategy, present windows of opportunity for capitalizing on the sector. The labour absorption potential of tourism and its revenue generation effect make the sector worth exploiting. Within the context of Indaka Municipality there is potential to design future economic development strategies that are linked to tourism.

MAP 33: Tourism Opportunities in Indaka Local Municipality



Increasing significance is being placed on this sector in the context of South Africa given this sector's potential as an income and employment generator. The location of the municipality within the Battlefields, and the recognition of these respective authorities in the evolving provincial Tourism Development Strategy, present an opportunity to capitalize on the sector. The labour absorption potential of tourism and its revenue generation effect make the sector worth exploiting. Within the context of Indaka Municipality there is potential to design future economic development strategies that are linked to tourism.

Tourism, though, is a sensitive industry and has a possibility to grow with two projects that include: picnic site, cultural village and cannibalism route. Cannibalism route project is under implementation.

The protected site at Olifantskop and Olifantskop Dam provide some tourism opportunities that need to be thoroughly investigated.

Manufacturing (Industrial)

Manufacturing is the biggest sector with the UThukela District Municipality; this is mainly the result of state support offered to the sector in the past. Key manufacturing sectors in the region are textiles, clothing, footwear and the leather industry. The historical development of the manufacturing has however not been spread out to the Indaka Municipality. Its impact was more at a regional level, taking more of an urban bias as against direct investment in rural areas. There is thus virtually no manufacturing investment in the Indaka Municipal area, except small manufacturing enterprises in the form of block makers, panel beaters and craft work. The agricultural and tourism sectors are medium sized sectors in the regional economy.

Local Economic Development: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect local economic development in Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none">∞ Availability of land for development∞ Economic Status Quo Analysis commended∞ Strategic Projects to address economic Challenges	<ul style="list-style-type: none">∞ Dependant on grants∞ Income / Financial Leakage;∞ Insufficient economic resources∞ No appropriate Economic Development implementation strategy∞ No profiling towards implementing Operation Sukuma Sakhe Project Identification & Resources
Opportunities	Threats
<ul style="list-style-type: none">∞ Greater opportunities for Local Economic Development∞ Tourism opportunities (Cannibal Route)∞ Business opportunities∞ Agricultural opportunities∞ Social Investment Zone (PGDS)	<ul style="list-style-type: none">∞ Lack of updated backlog data∞ Lack of communication with sector departments∞ Relationship between Municipal Governance and Traditional Authorities

C.5.2. Social Development Analysis

Broad Based Community Needs (limited to 5 priority projects per ward)

The Broad Based Community Needs per ward of the municipality were determined during a wide stakeholder engagement conducted as part of the public participation process. Amakhosi, the Ward Committee Members and other community organisations were part of the engagement processes undertaken.

Indaka Local Municipality Priority Needs Analysis per Ward

The Table below depicts the list of priority needs ranked from 1-18 per ward

Priorities/Needs		Wards									
		1	2	3	4	5	6	7	8	9	10
1	Water	1	1	1	1	1	1	1	1	1	1
2	Electricity	3	3	15	4	3	2	2	2	2	2
3	Sanitation	10	2	16	12	13	3	11	15	14	4
4	Roads and Storm water	2	4	11	6	2	5	3	4	8	3
5	Agriculture Development	5	5	7	3	15	10	4	10	5	5
6	Housing and Land	4	6	4	2	9	6	6	3	4	8
7	Education	6	11	6	11	7	11	7	5	10	9
8	Safety and security	8	8	3	13	4	8	12	9	12	11
9	Health	7	7	5	10	6	4	5	8	7	6
10	Local Economic Development	12	14	10	9	14	12	9	6	6	7
11	Cemeteries	13	13	14	-	10	16	15	16	17	13
12	Public Transport	14	12	8	7	11	9	10	11	11	10
13	Community/ sports facilities	9	9	2	5	5	7	8	7	9	12
14	Environmental Management	15	15	12	8	8	14	14	13	13	14
15	Waste Collection	11	10	13	14	16	13	16	12	16	15
16	Tourism and associated facilities	16	16	9	15	12	15	13	14	15	16
17	Communication (Network masts)	-	-	-	-	-	17	-	17	3	-
18	Computer laboratory	18	-	-	-	-	-	-	-	-	-

Table 15: Indaka Municipality – Priority Needs Analysis per Ward

Expressed Ward Priorities/Needs

Priorities/Needs		1	2	3	4	5	6	7	8	9	10	Share per ward	Top Ten Municipal Developmental Issues
1	Water											100%	1. Water
2	Electricity											90%	2. Electricity
3	Sanitation											30%	3. Roads & Stormwater
4	Roads and Storm water											70%	
5	Agriculture Development											60%	4. Agric. Development
6	Housing and Land											50%	5. Housing & land
7	Education											10%	6. Sanitation
8	Safety and security											30%	7. Safety and security
9	Health											20%	8. Community/sports facilities
10	Local Economic Development												9. Health
11	Cemeteries												10. Education
12	Public Transport											30%	
13	Community/ sports facilities												
14	Environmental Management												
15	Waste Collection											10%	
16	Tourism & associated facilities												
17	Communication (Network masts)												
18	Computer laboratory												

Table 16: Indaka Municipality- Expressed Ward Priorities/needs

Analysis of the community needs for the 2015/2016 IDP review revealed that the top ten priority needs has changed. Water is still a number one priority with electricity at number two which was number four in previous year. Major change is in agricultural development which was in number 9 last year and now is at top four, thus means the people view agriculture as a viable tool to fight poverty.

Education

There are no institutions of higher learning within the municipality. After matriculation, children either go to the Ladysmith Technical College to further their studies or move out of

the UThukela District. The latter is not always practical and affordable as most people in the area cannot afford to provide their children with better education opportunities outside of the municipal area. The cost is simply too much.

At primary and secondary levels the facilities are distributed all over the municipality and these are well utilized by the communities. There is, however, a need to extend or renovate most of the schools, as most are unsuitable for proper education purpose.

The statistics reveal that 15% of the people in the municipal area have no formal education. Assuming that these are adult people there is clearly a need to assist these people through the ABET program.

The following table summarises the education levels for residents of the municipality.

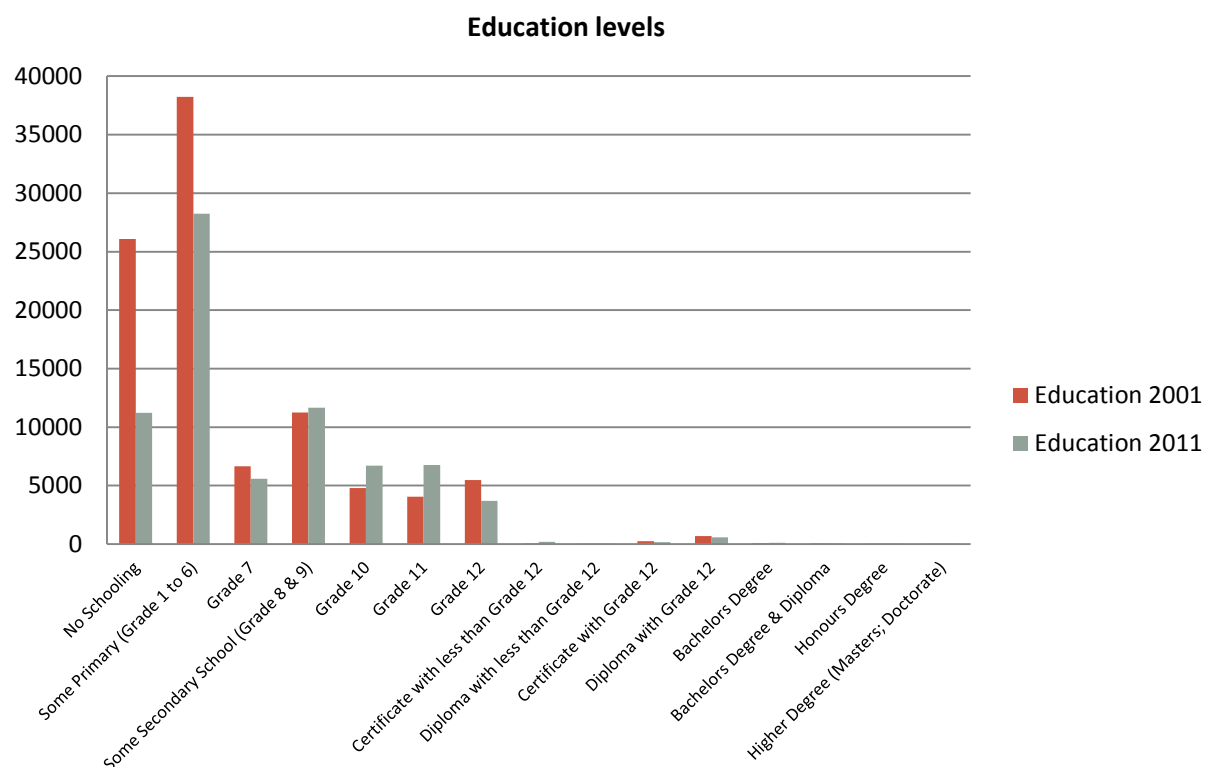
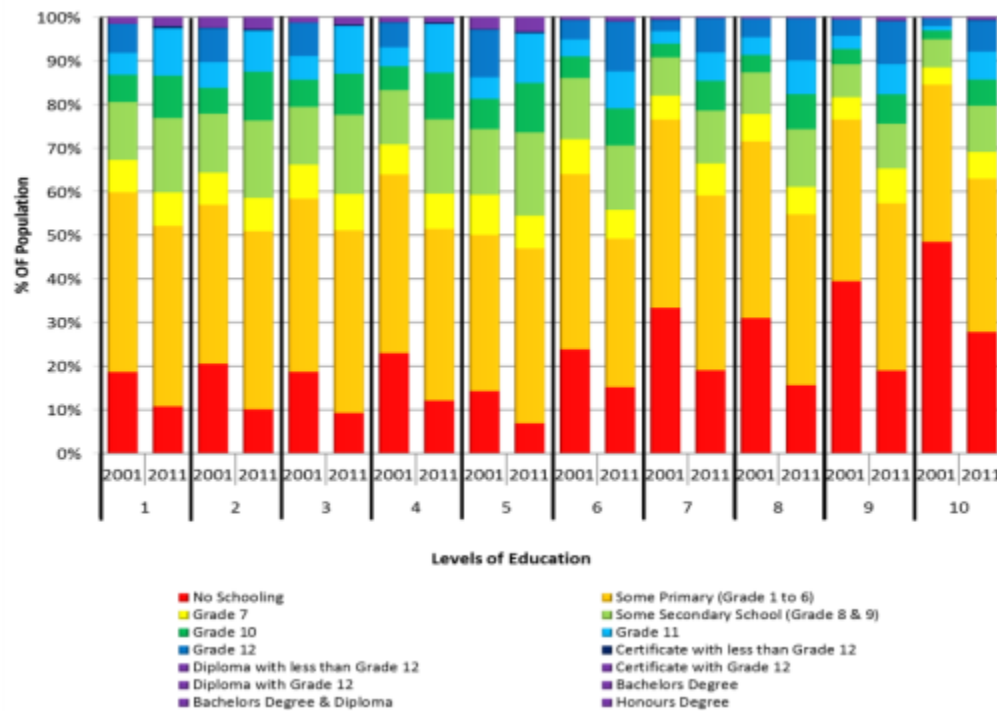


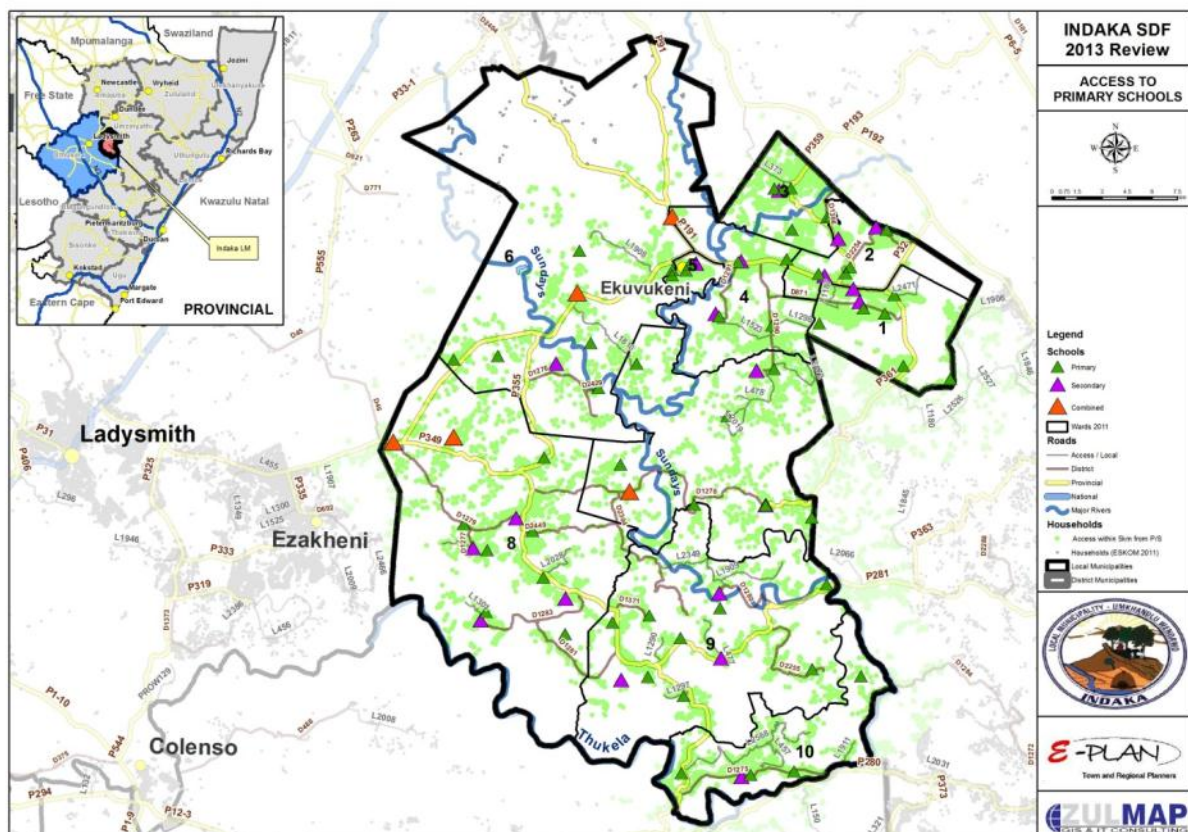
Figure 23: Educational Levels of the Population from 2001 to 2011 (Stats SA 2011)

What is noticeable from these figures is that low portions of the population have any form of post matric qualification which indicates that they are in all likelihood involved in primary activities.

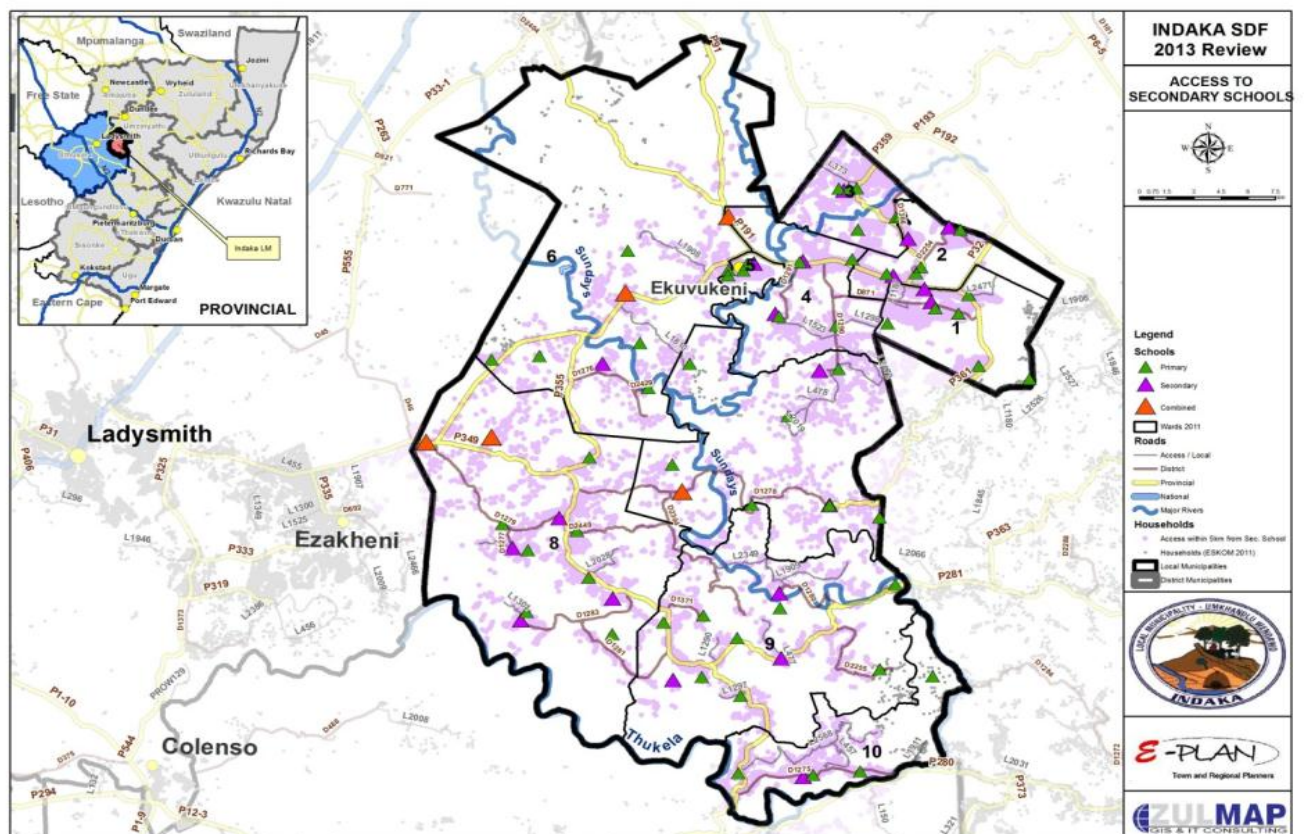
Figure 24: Levels of Education per Ward (Stats SA 2011)



MAP 34: Access to Primary Schools in Indaka Local Municipality



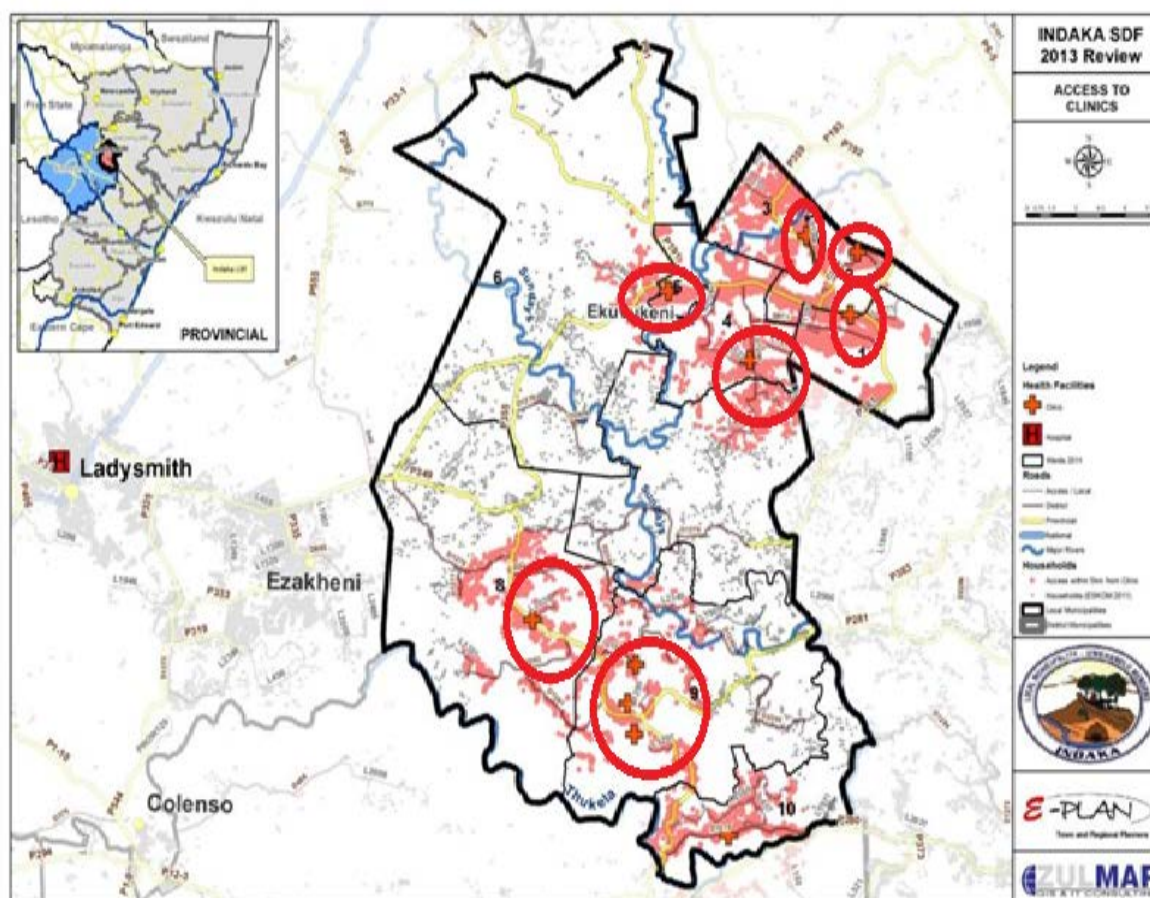
MAP 35: Access to Secondary Schools in Indaka Local Municipality



Health

Health services are currently the responsibility of the Department of Health. The new legislation on local government has not provided that the local municipalities are responsible for the health services in as far as they are provided to serve their area of jurisdiction. Therefore, services like clinics and mobile clinics can be safely assumed to be the responsibility of Indaka Municipality.

MAP 36: Access to Clinics in Indaka Local Municipality



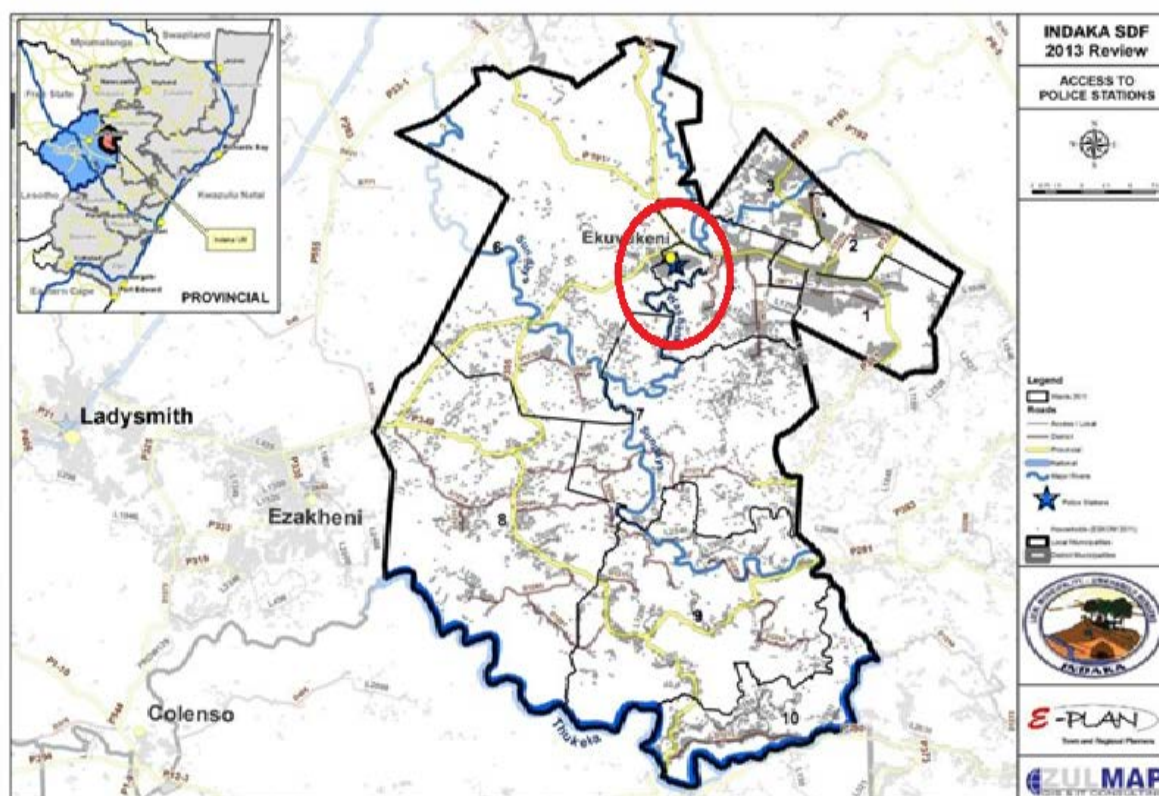
Currently there are 8 clinics in Indaka namely; Limehill, Sigweje, Ekuvukeni, Rockcliff, KwaMteyi, Mhlumayo, Gcinalishone and Sahlumbe. The total number of mobile clinics that operate in the municipal area is 13. These mobile clinics are spread all over the area but there are some areas that still need mobile clinics.

There is no hospital in Indaka but the population in the western part is within 25km from the facility in Ladysmith. The population in the central area is in excess of 5km from a clinic and the accesses roads in this area make it difficult to reach by mobile clinic. The households whose distance is further then 5km from Clinic are considered as a backlog.

Safety & Security

There is only one police station in the whole of Indaka Municipality. This only police station is located at Ekuvukeni. Communities of the Mhlumayo settlement have called for stronger and more visible police presence in their communities. The SAPS Crime Information Analysis Centre at Ezakheni Police Station stated that the Umhlumayo complex is being served by the Ezakheni Police Station whereas the Limehill Complex is served by the Ekuvukeni Police Station. Whilst the centre acknowledged the increase in the rate of crime in the Indaka area, it was however made clear that there are no immediate plans for the construction of a new police station in the Indaka area. It was also acknowledged that the SAPS are currently under resourced in terms of personnel.

MAP 37: Access to Police Stations in Indaka Local Municipality



Nation Building & Social Cohesion

1.1.1. Sukuma Sakhe Initiative (War on Poverty)

The origin of Masisukuma Sakhe, which is the motto on the crest of the Provincial Government of KwaZulu-Natal, is taken from the Prophet Nehemiah 2:18, where he yearns to rebuild a city that has been destroyed. Operation Sukuma Sakhe then is a call for the people of KwaZulu-Natal to be determined to overcome the issues that have destroyed the communities, such as poverty, unemployment, crime, substance abuse, HIV & AIDS and TB.

Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instill behavioural change amongst the citizens of the province.

Flagships

- Development Information Services (DIS);
- Free Basic Services;
- ImiziYezizwe;
- Installation of Amakhosi;
- Corridor Development;
- Small Town Rehabilitation Programme;
- Operation Clean Audit; and
- KZN Local Government Strategy.

Community Partnerships

Operation Sukuma Sakhe has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different

sector departments and the spheres of government...therefore delivery of services is required through partnership with community, stakeholders and government. Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 12 National Outcomes. Government will encourage social mobilization where communities have a role, as well as delivery of government services in a more integrated way.

Government has structured programs which need to get as deep as to the level of the people government is serving. This is at ward level, translating to all 11 districts and all households in all 51 municipalities. Government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The Indaka Municipality takes due cognisance of Sukume Sakhe initiative and endeavours to assist in overcoming the issues with which communities are faced. This is evident in the strategic thrusts of the Indaka Municipality and in line with the associated objectives and strategies.

Community Development with particular Focus on Vulnerable Groups

The aged, youth, disabled and people living with HIV/ AIDS have been grouped together under vulnerable people. This is because they are almost always neglected in planning activities or are treated as part of other groups leading to their needs not being given the specific attention they deserve.

Youth Development

From the Census statistics, the majority of the people in the municipality are youth. As the youth is almost half of the population, it is important to ensure that development projects in the area address issues of youth interest. The statistics show that out of an economically active population of about 39,598 people only 3,005 are employed. It can be safely reasoned that the majority of the unemployed are the youth.

Development of the People with Disabilities

Disabled people have often been neglected or kept indoors in our societies. Various programs have been initiated by the government to include this group in our daily lives but these have often been ignored. The Constitution of South Africa protects the rights of all people. It provides for no discrimination on the basis of disability. Therefore, it is important that in our planning activities we do not lose sight of the needs of these people. No facilities for the disabled currently exist at Indaka.

Development of the Elderly

The population statistics show that there are about 5,512 people above the age of 65 in the Indaka area. These are people who have needs related to transport, healthy security etc. which may be over and above the needs of the general population. The Department of Social Welfare in Ladysmith has stated that it has a total of 10 pension pay points in the Indaka area. There are no formal facilities that exist as pay points. Currently existing shops are used as pay points and these have no adequate facilities to cater for the needs of the people who come for pensions.

People affected by Crime, HIV/Aids, Drugs, etc.

This is another special category of people that cuts across all groups within the population for the municipality. As the HIV/AIDS statistics clearly reflect that this increases at an alarming rate, this is a cause for concern. HIV/AIDS statistics from the Department of Health reveal that the age group that is hardest hit by the disease is the youth, and as youth is the majority in this municipality, the results can be very dramatic. Pressure will be felt within the health

sector. Schools will need to adapt to the new situation of AIDS sufferers at school. Therefore, facilities will have to be provided that provide accommodation as well as health and education facilities.

Social Development: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect social development in Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none"> ∞ Availability of land for development 	<ul style="list-style-type: none"> ∞ Dependant on grants ∞ Income / Financial Leakage; ∞ Insufficient economic resources ∞ No profiling towards implementing Operation Sukuma Sakhe ∞ Project Identification & Resource Allocation (Lack of PMU)
Opportunities	Threats
<ul style="list-style-type: none"> ∞ Social Investment Zone (PGDS) ∞ 	<ul style="list-style-type: none"> ∞ Lack of updated backlog data ∞ Lack of communication with sector departments

C.6. MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT ANALYSIS

C.6.1. Financial Viability & Management Analysis

Indaka Municipality is a Local Municipality within UThukela District Municipality which has limited urban development within its area of jurisdiction. The sources of income available for Indaka Municipality are refuse removal, burial fees, services and rates income which will increase once the townships and towns are formalized. The payment for services is very poor as most households are unemployed; however the Municipality ensures that it uses its limited resources in a sustainable manner and in line with Municipal Finance Management Act.

Indaka municipality has developed and adopted a Supply Chain Management Policy. The Supply Chain Management Policy guides the procurement of goods and services in a fair, transparent, competitive and efficient manner and to ensure that local and previously disadvantaged individuals (HDI) are accorded preferential consideration

Capital Expenditure in the last 3 years		
2011/2012	2012/2013	2013/2014
72,59%	20,74%	23,12%

Capability of the Municipality to execute Capital Projects

The Municipality has been struggling to execute capital projects. Among the challenges is the capacity in the Technical Department because it has inherited the R293 staff from the erstwhile Kwazulu Government. This has resulted in the Municipality to rely on Consultants for the execution of infrastructural projects.

The Municipality then appointed the qualified Engineer to steer the Municipality and ensure the utilization of capital budget of which the large percentage is from the conditional grants. The assistance was also solicited from Treasury through the Crack Team to fast track the capital expenditure.

C.6.2. Municipal Indigent Policy

The Municipality has developed and approved its indigent policy. What is required from the Municipality side is to review the policy on an annual basis to ascertain whether it still meet its requirements.

C.6.3. Revenue Enhancement Strategy

The Municipality due to its remoteness has been unable to develop and implement the revenue enhancement strategy. The implementation of the MPRA is also a challenge thus the revenue generated by the Municipality is very low.

C.6.4. Municipal Debtors Analysis

The non-implementation of MPRA has resulted in escalation of outstanding debts from residents, especially from Ekuvukeni, Waaihoek and Uitval which are the areas where the property valuation was conducted.

The Municipality will decide whether to write-off the outstanding debts and redo the property valuation.

C.6.5. Grants Dependency

The Municipality is depended in government grants and that has been alluded to above. The large percentage of funds is from the non-conditional grants (equitable share) and conditional grants in the form of MIG, MSIG and other grants.

There is a little that the Municipality is generating through the rates and surcharges.

C.6.6. Municipal Infrastructure Assets

The Municipal has asset register which is in compliant with the standard required by Treasury. The infrastructural assets are forming part of the asset register, which include road, community facilities to name just a few.

C.6.7. Current and Planned Borrowing

There are no current and planned borrowings.

C.6.8. Employee Related Costs (Including Councillors Allowance)

EXPENDITURE	BUDGET YEAR 2015-2016	BUDGET YEAR 2016-2017	BUDGET YEAR 2017-2018
TOTAL SALARIES	17,999,511	19,106,481	20,224,210

C.6.9. Auditor General Report

The Auditor General reported that the Financial Statements presented the financial position of the Indaka Municipality as at June 30 2014 and were developed in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA attached as **Annexure J9**.

C.6.10. Financial Viability & Management: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the financial viability and management of Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none"> ∞ GRAP Compliant Budget (approved annually on time) ∞ Progressive financial targets to improve viability ∞ Committed and dedicated staff 	<ul style="list-style-type: none"> ∞ 60% Grant Funding & 40% Internal Funding ∞ Low collection rate ∞ Lack of automated system to monitor consumer queries ∞ Lack of capacity (personnel and equipment) ∞ Indication of progress in achieving targets ∞ No explanation to AG
Opportunities	Threats
<ul style="list-style-type: none"> ∞ Provision of Bulk Electricity ∞ Control of Fresh Produce Markets & Abattoirs ∞ Utilization of smart metering system ∞ 	<ul style="list-style-type: none"> ∞ Lack of communication (Departments working in silos) ∞ Unemployment ∞ Culture of non-payments ∞ Adverse Audit Opinion ∞ Procurement planning (not aligned to budget which leads to deviations)

C.7. GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS

C.7.1. National and Provincial Programmes rolled-out at Municipal Level

The Municipality is participating fully in the following national and provincial programmes rolled out in Municipal level:

- ∞ Operation Sukuma Sakhe;
- ∞ Back to Basics (B2B);
- ∞ Expanded Public Works Programme (EPWP);
- ∞ Community Work Programme (CWP);
- ∞ Youth Job in Waste.

C.7.2. Intergovernmental Relations (IGR)

The Municipality is participating in the District Intergovernmental Relations this include the Mayors forum, Technical Support Forum, Corporate and Communication forum (principal Municipal Manager of Indaka, District Area Finance support forum (Okhahlamba MM), Planning and Development forum (Umtshezi MM), Infrastructure Forum (Emnambithi MM) , General and Social Services forum (Imbabazane MM).

These committees meet on a quarterly basis and report to Mayors forum which ultimately report to provincial government.

C.7.3. Status of Functionality of Ward Committees

The Municipality has the full complement of ward committees from ward 1 to ward 10. The functionality status is assessed on the quarterly basis by CoGTA through sectoral reports submitted to the Municipality on a monthly basis. The challenge encountered is that other Councillors are not chairing the meetings as they are supported to as per the Municipal Structures Act, 117 of 1998.

C.7.4. Participation of Amakhosi in Council meetings

Indaka Municipality has 8 traditional leaders who are:

- ∞ Inkosi Mthembu;
- ∞ Inkosi Mabaso;
- ∞ Inkosi Mbhense;
- ∞ Inkosi Kunene;
- ∞ Inkosi Nxumalo
- ∞ Inkosi Sithole;
- ∞ Inkosi Zwane; and
- ∞ Inkosi Mchunu.

In terms of section 81 of the Municipal Structures Act, 117 of 1998 and the MEC letter in this regard, there are four Traditional Leaders who are participating in Council meetings. They are:

- ∞ Inkosi Kunene;
- ∞ Inkosi Nxumalo;
- ∞ Inkosi Mbhense; and
- ∞ Inkosi Sithole.

C.7.5. IDP Structures

Structure	Members	Functionality
IDP Steering Committee	<ul style="list-style-type: none">∞ The IDP Manager∞ EXCO + Speaker & Municipal Manager∞ Uthukela District Municipality∞ Municipal Heads of Departments∞ Representatives from Provincial Government (Planning Section)	Yes, the structure is functional since it is meeting as required by the IDP Process Plan
IDP Representative Forum	<ul style="list-style-type: none">∞ Municipal EXCO∞ Councillors∞ Traditional Leadership (Council)∞ MANCO∞ Representatives from Provincial and National Government∞ Ward Committees∞ Community Development Workers∞ NGO's and CBO's∞ uThukela District Municipality	Yes, it is sitting despite the challenges in securing the sector departments

C.7.6. Communication Strategy

The Municipality has adopted the Communication Strategy which was adopted in December 2013 and is currently under review.

C.7.7. Internal Audit

The Municipality has outsourced the services of the internal audit. The internal audit is reporting to the audit committee functionally and to the municipal manager operationally.

C.7.8. Audit/Performance Committee

The Municipality has appointed the competent members of the audit committee who also performs the function of performance auditing. The committee is appointed in terms of section 166 of the Municipal Finance Management Act. The committee is meeting on a quarterly basis to look and advise the council on matters submitted to them by Internal Audit Unit and other matters.

There are four members sitting on the committee with vast experiences on finance and corporate governance. There is a vacancy on the committee

since one member deceased thus the Council must appoint another person to fill the vacancy.

C.7.9. Municipal Policies

All necessary Human Resource and Financial Policies are in place and will be reviewed in the 2015/16 financial year.

C.7.10. Status of Municipal Bid Committees

The Municipality has a functional SCM Unit under the stewardship of the CFO. In terms of the Municipal SCM policy which was adopted by the Council, the Municipal Manager in terms of delegated powers has established the Bid Committees which are Bid Specification Committee (BSC), the Bid Evaluation Committee (BEC) and the Bid Adjudication Committee (BAC).

These committees have been trained by Provincial Treasury on their terms of reference (TOR) and the scope of work they are mandated to execute. The BAC as the last committee recommends to the accounting officer of the preferred bidder.

C.7.11 Municipal Public Accounts Committee (MPAC)

The Council has established the MPAC as part of the crucial committee to look into the financial and non-financial affairs of the Municipality. Another important role that is played by this committee is that of playing oversight over the preparation and adoption of the Municipal annual report in terms of section 129.

C.7.12. Portfolio Committees

Council Member	Committee Allocated to	Ward and/or Party Represented	
Cllr P.B.M Mabele	Speaker (Ex-officio)	PR	NFP
Cllr ZV Mabele	Technical and Planning & MPAC	1	ANC
Cllr S.J. Twala	Corporate Service	2	NFP
Cllr N.B. Mchunu	Exco & Finance	3	NFP
Cllr MB Mbhele	Community Services	4	IFP
Cllr MA Kheswa	Finance & MPAC	PR	NFP
Cllr ME Mbatha	Community Services	5	ANC
Cllr S.M. Banda	Corporate Service	PR	ANC
Cllr T.B. Njapha	Exco & Technical and Planning	PR	ANC
Cllr S. Zikalala	Technical and Planning	6	NFP

Cllr S.N. Mvelase	Technical and Planning	PR	IFP
Cllr N.C. Mbhele	Corporate Service	7	IFP
Cllr P.M. Nzuzo	Exco & Corporate Service	PR	IFP
Cllr B.C. Majola	Technical and Planning & MPAC	8	IFP
Cllr N.L. Zikalala	Community Services	PR	ANC
Cllr H.L. Madonsela	Community Services	PR	NFP
Cllr M. Madondo	Corporate Service & MPAC	9	IFP
Cllr M. Ngubane	Exco & Community Services	10	IFP
Cllr S. Smelane	Finance	PR	IFP
Cllr. T.B.M Shezi	Finance	PR	ANC

C.7.13 Risk Management Committee

The Risk Committee has been established which comprises of all Senior Managers as heads of departments. The basis of taking all managers is that they are responsible for various units within the Municipality thus the risk areas can be identified and mitigated.

C.7.14. Promulgation of Municipal By-Laws

Municipal Functions as per Schedules 4 Part B & 5 Part B of MSA		
Municipal Functions	Function Applicable to Municipality (Yes/No)	Function performed by Indaka (Yes/No)
Air pollution	Yes	No
Building regulations	Yes	Yes
Child care facilities	Yes	Yes
Electricity and gas reticulation	Yes	No
Fire-fighting services	Yes	No
Local tourism	Yes	No
Municipal airports	Yes	No
Municipal planning	Yes	Yes
Municipal health services	Yes	No
Municipal public transport	Yes	Yes
Municipal public works	Yes	No
Pontoons, ferries, jetties, piers and harbours	Yes	No
Storm water management system in built-up areas	Yes	Yes
Trading regulations	Yes	Yes
Water and sanitation services	Yes	No
Beaches and amusement facilities	Yes	No
Billboards and the display of advertisements in public places	Yes	No
Cemeteries, funeral parlours and crematoria	Yes	Yes
Cleansing	Yes	No
Control of public nuisance	Yes	No

Control of undertaking the sell liquor to the public	Yes	No
Facilities for the accommodation, care and burial of animals	Yes	No
Fencing and fences	Yes	Yes
Licensing of dogs	Yes	No
Licensing and control of undertakings that sell food to the public	Yes	No
Local amenities	Yes	No
Local sport facilities	Yes	Yes
Markets	Yes	Yes
Municipal abattoirs	Yes	No
Municipal parks and recreation	Yes	Yes
Municipal roads	Yes	Yes
Noise pollution	Yes	No
Pounds	Yes	No
Public places	Yes	No
Refuse removal, refuse dumps and solid waste disposal	Yes	Yes
Street trading	Yes	Yes
Street lighting	Yes	Yes
Traffic and parking	Yes	No

C.7.15. Action Plan addressing AG concerns

The Municipality has developed the Action Plan addressing AG finding in the 2013/2014 financial year. The plan was presented to Council and the Office of the Auditor General. The Council is monitoring the implementation of the plan through reports submitted

C.7.16. Good Governance & Public Participation: SWOT Analysis

The SWOT analysis discusses the external and internal factors that affect the financial viability and management of Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none"> ∞ Collective Effort – work to common good; ∞ No longer under Administration under Section 139; ∞ Functional political and administrative structures. 	<ul style="list-style-type: none"> ∞ Constant changes in administrative leadership ∞ Geographical location of the municipal area
Opportunities	Threats
<ul style="list-style-type: none"> ∞ Availability of funds for Staff Training ∞ Skills development; 	<ul style="list-style-type: none"> ∞ High labour turnover due to inadequate work environment based on the geographical location of the municipality

C.8. Combined SWOT Analysis

The Combined SWOT analysis discusses all the external and internal factors that affect the Indaka municipality. In the analysis Strengths, Weaknesses, Opportunities and Threats are seen from an internal and external perspective. Strengths and Weaknesses refer to the current situation, while Opportunities and Threats are viewed as both occurring in the present and or the future.

Strengths	Weaknesses
<ul style="list-style-type: none"> ∞ Some Arable Land ∞ Access to River Systems for irrigation ∞ Tourism Attraction (Venture Based) ∞ Cultural Heritage ∞ Approved Organizational Structure aligned to operational capacity ∞ High level of commitment and willingness to conform by staff members ∞ Availability of land for development ∞ Economic Status Quo Analysis commended ∞ Strategic Projects to address economic Challenges ∞ Collective Effort – work to common good; ∞ Availability of funds for Staff Training ∞ Skills development ∞ No longer under Administration under Section 139; 	<ul style="list-style-type: none"> ∞ Low Agricultural Potential ∞ Young Population ∞ No SDF guidelines for Land Use Schemes to be adopted 1 May 2015 ∞ Project Identification & Resource Allocation (Lack of PMU) ∞ Municipality unable to attract and retain highly skilled employees ∞ Job evaluation incomplete ∞ Functional IGR / Re-instate structures / start to participate at Forum Level; ∞ Dependant on grants ∞ Income / Financial Leakage; ∞ Insufficient economic resources ∞ Insufficient economic resources ∞ No appropriate Economic Development implementation strategy ∞ Constant changes in administrative leadership ∞ Geographical location of the municipal area makes public participation difficult
Opportunities	Threats
<ul style="list-style-type: none"> ∞ Agriculture Irrigation; ∞ Sand Mining ∞ Coal Mine (Mineral Exploration Potential) ∞ Availability of funds for Staff Training ∞ Social Investment Zone (PGDS) ∞ Greater opportunities for Local Economic Development ∞ Tourism opportunities (Cannibal Route) ∞ Business opportunities ∞ Agricultural opportunities ∞ Social Investment Zone (PGDS) 	<ul style="list-style-type: none"> ∞ Sand Mine (Control); ∞ Decline in Population Growth; ∞ Climate Change (Drought). ∞ High labour turnover due to inadequate work environment based on the geographical location of the municipality ∞ Lack of updated backlog data ∞ Lack of communication with sector departments ∞ Relationship between Municipal Governance and Traditional Authorities.

C.9. Key Challenges

The major challenges faced by the Indaka Municipality can briefly be summarised as follows:

1. The municipality has no well-established economic core, which hampers economic development within the municipal area, as well as, no formal and/or proclaimed town. As a result, the area is unable to attract inward investments that could address economic development challenges. This also renders the municipality without an income base as rates and taxes cannot be collected from any of the settlements.
2. Partly due to the above, there is a high rate of unemployment, and the majority of families depend on social grants for their survival. The poverty levels, combined with levels of deprivation are at very high levels.
3. Huge infrastructure services backlogs exist in the municipality and the major shortages are found in the delivery of water, sanitation and electricity.
4. There exists an extremely high prevalence of HIV/AIDS in the municipal area, with the estimated infection rate at approximately 25%. The high mortality rate and burden of AIDS related illness caused by this has resulted in increased socio-economic hardships of families in the municipality, mostly due to a loss of income when economically active family members are unable to work or pass away.
5. A lack of proper educational facilities contributes to the high levels of illiteracy in the Indaka Municipality. No tertiary education facility exists in the municipality and the nearest is the Mnambithi FET College in Ladysmith.
6. The inadequate and limited recreational facilities are perceived to be contributing factors to socio economic issues in the Indaka Municipality.
7. The crimes rate in the municipality is high and this is caused by the fact that there is only one police station in the municipality and it is not located central to the geographical extent of the municipal area. The high crime rate is perceived to hamper tourism, amongst other negative influences.
8. The dispersed settlement pattern in the municipality makes physical infrastructure related services delivery extremely expensive and in most cases not effectively affordable.
9. There is currently no Spatial Development Framework and Land Use Management System to guide the municipality on the most effective use of unutilized, productive land. Large portions of land in the municipality are subjected to land claims and these place a burden on development on this land.

SECTION D: VISIONS, GOALS, OBJECTIVES AND STRATEGIES

Indaka's Position Statement

The Indaka Municipality's position statement is embodied by its core values and principles in its approach to fulfilling its mandate to its people. The Indaka Municipality is working towards its vision of which the following formed the underlying principles thereof:

- ∞ Providing services in a sustainable manner;
- ∞ Creating an enabling environment for economic development;
- ∞ Empowering municipal staff and social stakeholders to fulfil a developmental role;
- ∞ Ensuring the participation of marginalized target groups especially women, youth, disabled and HIV/Aids infected and affected; and
- ∞ Ensuring a clean and safe environment.

The municipality's approach towards fulfilling its mandate is also informed by the principles of Batho Pele:

- ∞ Showing compassion and care to all municipal customers.
- ∞ Treating all residents with equality, integrity and respect they deserve.
- ∞ Attending and responding to all queries efficiently.
- ∞ Conducting the municipal business processes in an ethical and professional manner.

Indaka's Development Vision

This vision is informed by members of council during the Didima Camp Strategic Session, which include, but are not limited to:-

- ∞ Indaka is a rural municipality.
- ∞ The municipality to attract business people to foster partnerships to increase Local Economic Development by 2030.
- ∞ To create a self-reliant and economically viable municipality by 2030.
- ∞ The municipality to render sufficient Local Government Functions, and facilitate proper IGR by 2021.
- ∞ Strive to transform to an effective and efficient municipality that provides for the Indaka community's basic needs, and stimulate skills and decrease the unemployment rate by 2020, and jointly move forward in becoming one of the most competent municipalities in the world.
- ∞ By 2030, to eradicate poverty, to stimulate economic development, to create a safe and healthy environment, to sustain basic services, to improve quality of life, to provide electricity to all residences, access roads to all households by 2030, access to water for all residences, to development urban settlement, to collect revenue.

The Municipal vision is as follows:

“Indaka, a Municipality without poverty by 2030”

The Mission statement

The Mission Statement defines the fundamental purpose of the municipality and is as follows:

- ∞ Providing Basic Services in an affordable and sustainable manner;
- ∞ Promoting social upliftment and economic regeneration;
- ∞ Promoting a safe and healthy environment;
- ∞ Promoting public participation in the manner that supports Co-operative / Developmental Government;
- ∞ Building and entrenching Citizen Involvement.

Values

Values drive the municipality’s culture and priorities and provide a framework in which decisions are made. Beliefs are shared among the stakeholders of the municipality, which are the following:

- ∞ Integrity;
- ∞ Diligent;
- ∞ Self-Respect;
- ∞ Responsible and accountable;
- ∞ Fairness.

Emanating from the Mission Statement are the specific and clear objectives leading to development thrusts and strategies. The objectives give the clear direction on what are the municipality’s intentions in order to address the identified issues and gaps.

Indaka’s Development Objectives

The Indaka developmental objectives have been prepared as per Key Performance Area and serve as a direction which the Council wants to take in order to fulfil the objectives of the developmental state enshrined in the Constitution. In the table that follows there are Municipal objectives.

Indaka’s Development Strategies

The Indaka Development Strategies serve as a link between the development objectives and the programmes and projects that will serve to fulfil the service delivery mandate of the municipality. The following Strategic Objectives per Key Performance Area (KPA) have been formulated for Indaka:

Objective Number	Strategy No.	Objectives	Strategy	Performance Indicator (Unit of Measure)	Responsible Department	Glossary of Technical Terms
Basic Service Delivery and Infrastructure						
1.1.	1.1.1	To promote access to basic services	Provide basic services to residents <u>(electricity)</u> ⁽¹⁾	Number of households with access to electricity	Planning and Technical	<p>(1) Provide electricity means putting infrastructure e.g. excavation, planting of structures, stringing of conductors, transformers and connecting to Eskom line, thereafter handing the project to Eskom</p> <p>(2) Erection and commissioning refers to excavation, erection of high mast polls and connection to Eskom line</p> <p>(3) Maintenance plan refers to the plan as approved by the Council which has a list of roads, sports fields, halls and other facilities which need maintenance and/or refurbishment.</p> <p>(4) Refuse collection refers to collection of household waste from identified areas' using the external service provider.</p>
1.2	1.2.1	To improve the lives of communities through creation of a safer living environment	<u>Erection and commissioning</u> ⁽²⁾ of high mast lights	Number of high mast lights erected and commissioned		
1.3	1.3.1	To strengthen service delivery through proper planning	Reviewal of a <u>Maintenance Plan</u> ⁽³⁾	Reviewed maintenance plan		
	1.3.2		Reviewal of an Infrastructure Plan	Reviewed infrastructure plan		
	1.3.3		Development of a Rural Housing Strategy	Approved rural housing strategy		
	1.3.4		Implementation of IDP approved capital projects	100% rate of IDP approved projects implemented		
1.4	1.4.1	Sustain efficient and acceptable refuse removal and landfill	Fencing of landfill site	Fenced landfill site		
	1.4.2		Provide <u>refuse collection</u> ⁽⁴⁾	Number of households with access to refuse collection		
	1.4.3		Licensing of Municipal landfill site	Licensed landfill site		

1.5	1.5.1	To provide and promote access to public infrastructure	Construction of paved road	Number of kilometres of paved road	Planning and Technical	(5) Maintenance of gravel road refers to re-gravelling of road.
	1.5.2		Construction of gravel road	Number of kilometres of gravel road		(6) Maintenance of sports field refers to the blading of sports field.
	1.5.3		<u>Maintenance</u> ⁽⁵⁾ of gravel road	Number of kilometres of maintained gravel road		
	1.5.4		<u>Blading</u> of access roads	Number of kilometres of bladed road		
	1.5.5		Repairing of road by patching potholes	Number of square metres of potholes repaired		
	1.5.6		Construction of <u>sports facilities</u> ⁽⁶⁾	Number of sports fields constructed		
	1.5.7		<u>Maintenance</u> ⁽⁶⁾ of sports fields	Number of sports fields maintained		

Local Economic Development						Glossary of Technical Terms
2.1	2.1.1	Optimise the spatial configuration of Indaka through planning	Development of Land Use Management System (LUMS)	Council approved LUMS	Planning and Technical	<p>(7) Measure the Municipal success by gathering of data of the jobs created through Municipal LED initiatives and compares this with previous records.</p> <p>(8) Report the number of jobs created through other organs of states' initiatives like EPWP, CWP etc. by gathering of data.</p>
2.2	2.2.1	To coordinate jobs creation initiatives to fight unemployment	<u>Measure</u> ⁽⁷⁾ the number of jobs created through Local Economic Development (LED)	Increased number of jobs opportunities created through LED		
	2.2.2		<u>Report</u> ⁽⁸⁾ the number of jobs created through Municipal Capital Work Programme (MCWP)	Increased number of jobs opportunities created through MCWP		
	2.2.3		Measure the number of jobs created through Expanded Public Work Programme	Increased number of jobs opportunities created through EPWP		
	2.2.4		Report on the number of jobs created through Community Work Programme (CWP)	Increased number of jobs opportunities created through CWP		

Municipal Financial Viability and Management						Glossary of Technical Terms
3.1.	3.1.1	Improved budgeting and financial reporting in the municipality	Review and assess the current budget	Approved adjustment budget	Finance Department	(9) Credible budget refers to the budget that is fully funded and complies with the MFMA and other pieces of legislation applicable to local government and Treasury budget circulars
	3.1.2		Approval of the 2015/2016 budget process plan	Approved budget process plan		
	3.1.3		Budget for the maintenance of property, plant and equipment (PPE) and investment property	8% expenditure of the total PPE and investment property carrying value.		
	3.1.4		Preparation of <u>credible budget</u> ⁽⁹⁾	Approved budget		
3.2	3.2.1	To improve cash management and internal controls	Development of cash flow plan	Improved financial planning and management		
	3.2.2		Maintain the Municipal liquidity ratio	Maintain the liquidity ratio		
	3.2.3		Reduce irregular, unauthorised and wasteful & fruitless expenditure	0% of irregular, unauthorised and wasteful & fruitless expenditure against budgeted expenditure.		
3.3	3.3.1	To promote the culture of statutory reporting	Preparation of MFMA section 71 reports	Submitted section 71 reports to Treasury		
	3.3.2		Preparation of MFMA section 52 reports	Submitted section 52 reports		
	3.3.3		Preparation of MFMA section 72 report	Approved report		
	3.3.4		Preparation of interim financial statements	Approved Interim financial statements		
	3.3.5		Preparation of AFS (MFMA section 122)	Approved Annual financial statements		

3.4	3.4.1	To comply with Supply Chain Management System	Development of Procurement Plan	Approved Procurement Plan	Finance Department	(10) Revenue enhancement strategy refers to the strategy prepared and approved by the Council which seek to ensure that Indaka Municipality is not entirely grant dependent.
	3.4.3		Review of SCM Policy	Reviewed and approved SCM Policy		
	3.4.4		Report on supply chain management implementation	Number of reports submitted to Council		
3.5	3.5.1	To increase revenue collection and management	Development of <u>revenue enhancement</u> ⁽¹⁰⁾ strategy	Approved Revenue enhancement strategy		
	3.5.2		Improving the rate of revenue collection	% of revenue collected		
	3.5.3		Preparation of valuation roll	Approved valuation roll		
3.6	3.6.1	To control and manage expenditure	Increase capital budget expenditure	100% of capital budget spent		
	3.6.2		Increase MIG budget expenditure	100% of MIG funding spent		
	3.6.3		Increase budget expenditure on repairs and maintenance	100% of repairs and maintenance budget spent		
	3.6.4		Increase budget expenditure on Workplace Skills Plan	100% of workplace skills plan budget spent		
	3.6.5		Increase operating budget expenditure	100% of operating budget spent		
	3.6.6		Enhance municipal credit record	Payment of creditors within 30 days of receipt of correct invoice.		
3.7	3.7.1	To control debts to ensure financial viability	Collection of outstanding debts	75% of outstanding debts collected		

3.8	3.8.1	To maintain and control municipal assets	Reviewal of asset management policy	Reviewed asset management policy	Finance Department	
	3.8.2		Review of asset register	Reviewed asset register		
	3.8.3		Review of accounting procedure of all municipal assets	Reviewed accounting procedure		

Municipal Transformation and Institutional Development						Glossary of Technical Terms
4.1	4.1.1	Develop and improve performance management and measures in municipality	Annual review of PMS framework	Reviewed PMS Framework	Municipal Manager's Office	Section 54/56 Managers refer to the Municipal Manager and managers directly accountable to the municipal Manager
	4.1.2		Development of 2015/2016 organisational scorecard	Approved 2015/2016 scorecard		
	4.1.3		Submission to CoGTA of performance agreements	Signed performance agreements		
	4.1.4		Conduction of in-year performance assessments	4 quarterly assessments for section <u>54/56 Managers</u>		
	4.1.5		Conduction of annual performance evaluation	Annual performance evaluation for section 54/56 managers as per Municipal Performance Regulations 2006		
4.2	4.2.1	To ensure that the organisation has a structure as a tool for effective service delivery	Reviewal, approval and implementation of organisational structure	approved organisational structure		n/a
4.3	4.3.1	To conduct skills audit as part of workplace skills plan (WSP)	Conduction of employees skills audit	Number of employees audited	Corporate and Community Services	n/a
	4.3.2		Development and implementation of WSP	Approved WSP		n/a
	4.3.3		Training of staff members			
4.4	4.4.1	Strengthen and improve employment equity in the municipality	Review of employment equity plan	Reviewed employment equity plan		n/a
	4.4.2		Employing the number of people from employment equity target groups in the three highest level of management	Number of employees employed as per employment equity plan targets		
4.5	4.5.1	Attain effective and efficient municipal record management	Review the functioning of the Municipal registry	Functional and operational registry		n/a

Good Governance and Public Participation						Glossary of Technical Terms
5.1	5.1.1	Efficient and credible municipal spatial and strategic planning	Development, approval and implementation of 2016/2017 IDP Process Plan	Approved IDP process plan	Municipal Manager's Office	n/a
			Submission to CoGTA the approved IDP process Plan	CoGTA' comments on IDP process plan		
	5.1.2		Annual review and adoption of 2015/2016 IDP	Approved IDP		
			Submission of approved IDP to CoGTA within 10days after approval.	MEC's comments on approved IDP		
5.2	5.2.1	Maintain a functional performance management system	Preparation of annual performance report in terms of MSA section 46	Approved Section 46 Report		
5.3	5.3.1	To prepare action plan on Auditor-General's (AG's) findings	Preparation of action plans addressing findings raised by AG	Approved Action Plan		
5.4	5.4.1	To prepare an annual and oversight reports	Preparation of annual report in terms of section 121 of MFMA	Approved annual report		
	5.4.2		Preparation of oversight report in terms of section 129 of MFMA	Approved oversight report		
5.5	5.5.1	To ensure effective functioning of Internal Audit unit	Development and approval of annual Internal Audit Plan	Approved annual internal audit plan		
	5.5.2		Quarterly internal audit report to Audit Committee	Number of IA reports submitted to Audit Committee		

5.6	5.6.1	To ensure effective functioning of community participation structures	Reviewal of Ward Committee Support Plan	Reviewed Ward Committee Support plan	Corporate and Community Services	n/a
	5.6.2		Conduction of ward committee's quarterly assessments	Number of functional ward committees		
	5.6.3		Conduction of quarterly Local Aids Council (LAC) meetings	Number of LAC meetings conducted		
5.7	5.7.1	To develop strategies and policies to promote good governance	Review of anti-corruption strategy	Reviewed anti-corruption strategy		
	5.7.2		Development and reviewal of existing policies	Approved policies		
	5.7.3		Reviewal of communication strategy	Reviewed communication strategy		
	5.7.4		Reviewal of Information Communication Technology (ICT) Framework	Reviewed ICT framework		
	5.7.5		Reviewal of compliance checklist	Reviewed compliance checklist		
5.8	5.8.1	To improve the Council oversight	Convening of Council's quarterly meetings	Number of Council meetings held	Municipal Manager's Office	
	5.8.2		Convening of Executive Committee's monthly meetings	Number of Exco meetings held		
	5.8.3		Convening of Municipal Public Accounts Committee's quarterly meetings	Number of meetings held		
	5.8.4		Convening of Audit Committee's quarterly meetings	Number of meetings held		

5.9	5.9.1	To ensure the management of organisational risks	Undertaking of risk identification exercise	Approved risk register report		
	5.9.2		Preparation of monthly reports on actions taken on risks identified	Number of reports held		

Indaka's Key Interventions

The following Key Interventions were identified within the context of the current realities, development challenges and the strategic development objectives put forward in response to achieve the development vision of Indaka, namely:-

- Backlog Study (Core Infrastructure);
- Infrastructure Master Plan with specific reference to Roads & Storm water & Solid Waste Management;
- Sustainable Rural Development Strategy linked to Agrarian Reform;
- Formalisation & Regeneration of Ekuvukeni & Waaihoek;
- Formulate/Review Series of Plans & Planning Directives, i.e. SDF, LUMs, EMF, Disaster, etc.;
- Implement Recovery Plan / Strategy (Operation Clean Audit);
- Prepare & Implement Revenue Enhancement Strategy;
- Review LED to gear mass Job Creation & promote Sustainable Livelihoods;
- Prepare Capital Investment Framework linked to Strategic Goals & Objectives;
- Implement Housing Programmes linked to outcome of Rural Development Strategy;
- Alignment of Social Investment Programmes & Partnerships;
- Foster & Mobilize Partnerships to Economic Regeneration;
- Prioritised Targeted Support (Public & Private Sector);
- Identify Pilot Programmes / Projects with specific reference to Rural Development; and
- Operation Sukuma Sakhe / War Against Poverty.

SECTION E: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

E.1. Strategic Mapping

Spatial Development Vision and Thrusts

The following strategic mapping has been extracted from the recently completed and adopted.

Spatial Development Vision and Thrusts

The purpose of evaluating the Vision and Mission of the Local Authority is to highlight the components of these statements that need to be spatially interpreted. The Municipality needs to be made aware of the implications of the spatial statements to allow them to prepare and evaluate a proper course of action. These spatial implications will be manifested within the Spatial Development Framework being compiled

The main concepts that come from the above vision are Local Economic Development, and community development. These two concepts are interrelated and should you achieve economic development, community development should follow automatically. Economic initiatives and products being produced/sold, no matter where they are situated (in terms of city or province) have to have the optimum locality to provide access to the markets they target. It is therefore necessary to determine what the capabilities within the municipality is with regards to land and resources, and whether the spatial locality of the initiatives provides access to markets or not. If you lack access to markets, and proper marketing is not done, it is not feasible to produce, no matter how big the demand is.

One of the objectives of the Spatial Development Framework is to determine the optimum localities for investment and economic initiatives to be located to capitalise on the comparative advantages that is offered by a specific location. Spatial distribution of facilities will be linked to the spatial distribution of spatial needs, but in the sense that it will be provided where a large concentration of similar needs exist to ensure cost effective provision of services.

The municipal Development Objectives are mainly orientated and aligned to National Key performance areas (KPA's) as below.

The following tables depict the strategies set out by the municipality that have aspects that can be spatially manifested. These strategies can be identified and categorised by the 5 principals indicated in the Spatial Planning and Land Use Management Act, 2013 (SPLUMA):

SPLUMA Principles

- promote land development that is within the fiscal, institutional and administrative means of the country;
- ensure protection of the prime and unique agricultural land, the environment and other protected lands and the safe utilisation of land;
- promote and stimulate the effective and equitable functioning of land markets;
- consider all the current and future costs to all parties for the provision of infrastructure and social services in land developments;
- promote land development in locations that are sustainable and limit urban sprawl; result in communities that are viable;

Current lack of land management in rural settlements, the clearing of natural vegetation, conversion of agricultural land and inadequate storm water provisions have high costs for remedial and mitigation actions, e.g. damage to roads and houses after heavy rains.

The people in outlying rural areas have low per capita income, which often means that full services are unaffordable and this leads to non-payment which is financially unsustainable for the municipality and the rural poor.

Once disrepair reaches a critical point complete reconstruction is required at a greater cost.

Pollution impacts on human health and living conditions and limits future agricultural and tourism development potential, with implications for export competitiveness, and health costs.

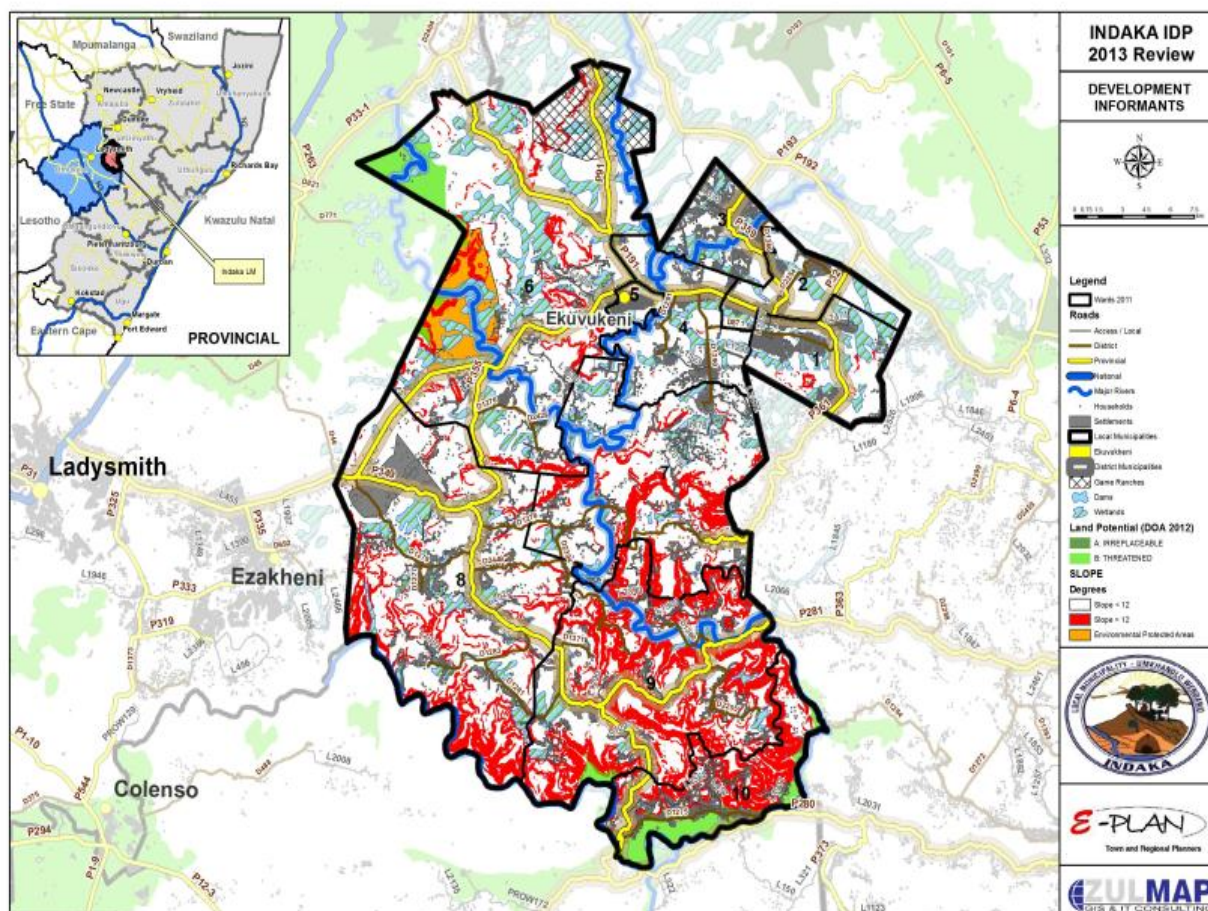
1. Protection and use of natural hydrological systems.
2. Plan service standards in line with economic and environmental affordability.
3. Conservation and maintenance of infrastructure and resources are better than replacement.
4. Fragmented spatial structure causes rural sprawl and should be countered within parameters of rural culture.
5. Improved land management measures to control potential conflicts are required.
6. Protect productive land for agricultural purposes.
7. Identify and promote alternative infrastructure solutions within landscape of municipality.
8. Provision of cost effective services which can be maintained
9. Protection of the environment during service delivery
10. Ensure that LED projects are located where its sustainability is ensured and in areas of greatest need.

Spatial Development Objectives

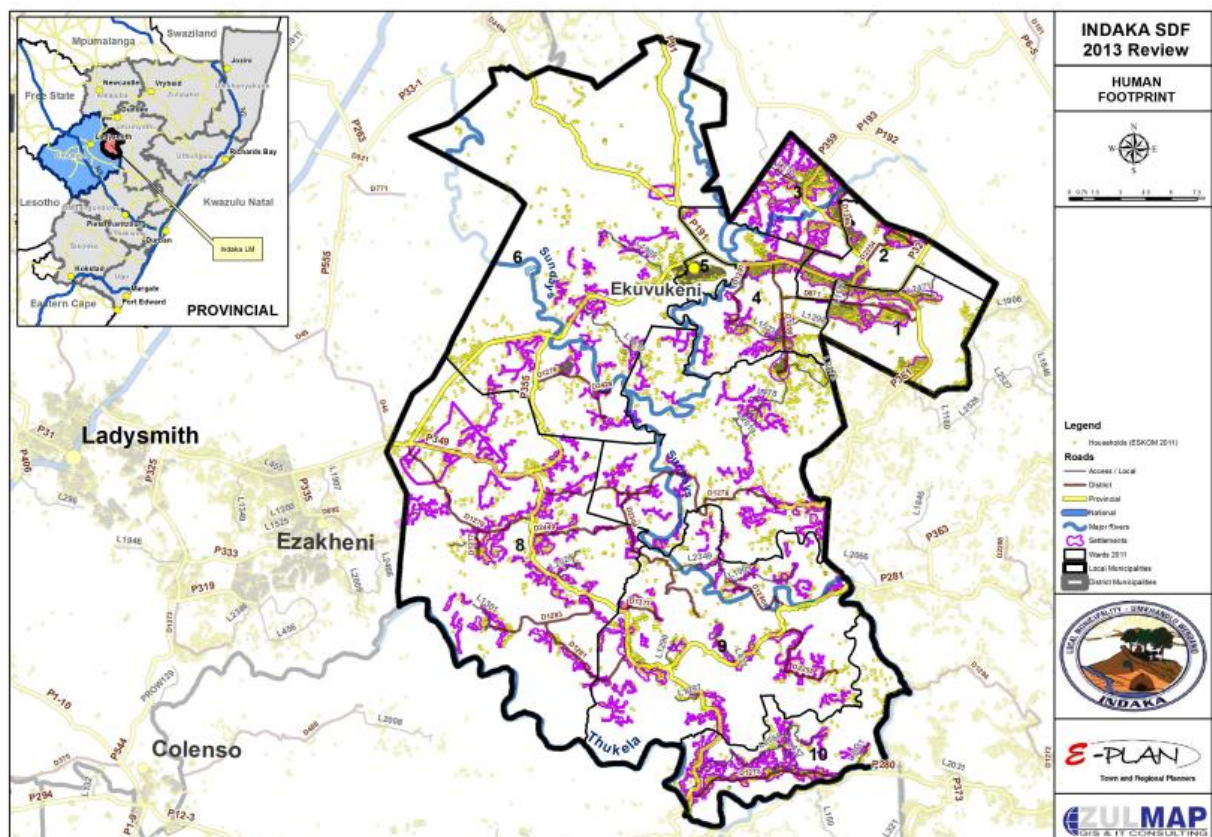
The following Spatial Objectives have been identified for Indaka Municipality:

- Demarcate areas where development should not be allowed
- Establish the Urban/Settlement Edge and identify land for infill development
- Ensure that Public Capital investment promote development of the Primary node and attract private investment to the area.
- Establish a hierarchy of nodes
- Formalise emerging urban settlements
- Develop rural service centres in district nodes (emerging urban settlements)
- Provision and upgrading of infrastructure to address backlogs
- Develop a uniform Land Use management System.
- Support Land Reform Projects and Security of tenure
- Promote a variety of housing typologies and densities in and around identified nodes

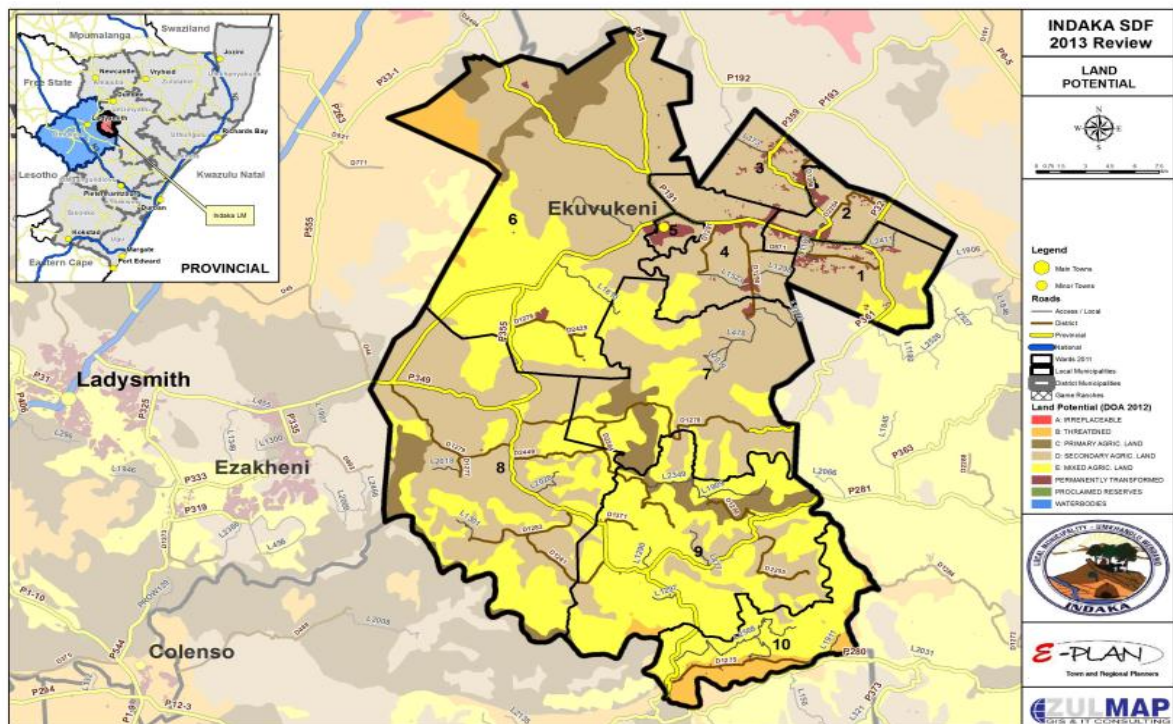
MAP 38: Indaka Spatial Development Informants



MAP 39: Indaka Local Municipality Human Footprint



MAP 40: Indaka Local Municipality Land Potential



E.2. Implementation Plan

The Implementation Plan has been formulated following the revised IDP format guidelines from CoGTA of February 2013. The plan is attached as Appendix J16.

SECTION F: FINANCIAL PLAN

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate funds were transferred from low- to high priority programmes so as to maintain sound financial stewardship.

A critical review was also undertaken of expenditure on non-essential and 'nice-to-have' items. 2015/16 MTREF was drafted in context of a reviving economy, whilst still acknowledging the lingering effects of the economic downturn of the past couple of years.

The budget for the 2015/16 MTREF period was based on the realisation that no, or limited, scope for additional externally- or internally-funded revenue growth existed and was further reiterated in National Treasury guidelines (circular 51) - *"...over the next few years, government must deliver more services – and deliver them more efficiently – within a tight resource envelope. Achieving this objective requires a new way of working: the budget has been reprioritised so that money is moved from low-priority programmes to high-priority programmes. Municipalities are encouraged to adopt similar stances on these issues. This is particularly important in the run-up to the local government elections. Mayors and Councils need to remain focused on the effective delivery of core municipal services...."*

The budget was compiled by ensuring that the financial management processes are transparent, aligned to the accountability cycle and facilitate good governance that is accountable to the local community.

The budget supports the provision of basic services to the communities, facilitating social and economic development, promoting a safe and healthy environment in a sustainable manner.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The ongoing difficulties in the local economy
- Ageing of roads and infrastructure
- The need to prioritise projects and expenditure within the existing resources available.
- Affordability of capital projects – allocations had to be reduced due to cash restraints and preference given to repairs and maintenance.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2014/15 Adjustment Budget priorities and targets, as well as the base line allocations contained in the Adjustment Budget.
- Tariff and property rate increases should be affordable and try not to exceed inflation as measured by the CPI.
- No budget has been allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the Division of Revenue Act gazette.

1. Operating Budget

Expenditure

Total operating expenditure increased from R 57,759 million in 2014/15 to R60, 488 million in 2015/16. The overall growth of R2, 729 million (4.72%) can be attributed to increases on several expenditure components. Examples of these are:

Reasons for significant variances:

Employment related costs – The decrease results from the merger with Ladysmith where the filling of vacant and new positions is allowed.

Remuneration of Councillors -- The increase results from the provision for an increase.

Depreciation & Asset Impairment – The increase results from the adjusted (reduced) life span of certain asset classes and the depreciation impact of major projects as well as the revaluation of certain asset classes to comply with the GRAP standards.

General Expenditure - The increase results from increases in various areas.

Repairs and maintenance – The decrease results from the fact that rehabilitation of existing roads form part of the capital budget.

Other expenditure – This expenditure component is for free basic services

Revenue

The 2015/2016 Operating Budget provides for the following variances on allocations:

Revenue

Total operating revenue increased from R 101,522 million in 2014/15 to R 120,569 million 2015/2016 (18.7%)

Major contributing items are:

- An increased allocation in respect of the National Equitable Share allocation (from R 67.26 million (2014/15) to R75.58 million (2015/16)
- An decrease allocation in respect of the D O E allocation (from R 0.00million (2014/15) to R 8.00million (2015/16)

Revenue sources:

Reasons for significant Revenue variances:

- Rental increased due to new contracts.
- Services charges decreased due to incorrect billing to vacant land.
- Interest on Investments is due to the slow pace of capital expenditure.
- Grants- Dora allocations increased.
- Other revenue increased due to history on tender documents.

Individual service tariffs / Rates

The proposed tariff increases in the table below are averages; i.e. some clients may pay more and others less than the average.

Average Tariff increases for 2015/16, 2016/17 and 2017/18:

Rates

The tariff increase is 0.0%

Solid Waste

An average tariff increase of 0.0%

2. Capital Budget

The Capital Budget increased from R 43,562 million in 2014/15 to R 60,016 million in 2015/16. This is an overall decrease of 37.70% which can be attributed by various factors.

- Increased allocations made by National and Provincial spheres of Government for the Roads and no allocation for electricity votes

Major capital expenditure is planned in the following areas during the 2015/16 financial year:

• Roads –	R 30,304,000
• Halls	R 2,347,000
• Buildings –	R 8,710,000
• Computer Equipment	R 105,000
• Renewal Existing Buildings.	R 2,510,000
• Other –	R 16,040,000

3. Consolidated Budget Summary.

<u>INCOME</u>	BUDGET YEAR	BUDGET YEAR	BUDGET YEAR
	2015-2016	2016-2017	2017-2018
GRANT COUNCILLORS SALARIES	-3,823,000	-4,000,000	-4,181,000
I.E.C –RENTALS	-26,316	-26,316	-26,316
TETLA RENTAL INCOME	-10,530	-10,530	-10,530
T A F LEARNING CENTRE RENTAL	-2,632	-2,632	-2,632
ANC RENTAL	-23,316	-23,316	-23,316
RENTAL-PITOMILAR & SON ENTERPR	-10,530	-10,530	-10,530
RENATL -Dr SJ KHUBEKA	-12,632	-12,632	-12,632
RENTAL-MFABEGIYA FISH & CHIPS	-5,263	-5,263	-5,263
RENTAL - SUKUMA SECURITY SERVI	-21,053	-21,053	-21,053
SASSA-RENTAL	-10,526	-10,526	-10,526
PROVINCILIATION OF LIBRARIES (-563,000	-582,000	-612,000
COMMUNITY LIBRARY SERVICE GRAN	-191,000	-201,000	-212,000
BURIAL FEES	-10,000	-10,550	-11,109
HIRE: HALL	-4,000	-4,220	-4,444
CONDITIONS MET INTERGRATED ELECTRIFICAT GRANT	-8,000,000	0	-7,000,000
CONDITIONS MET MUNICIPAL INFRASTR GRANT(MIG)	-22,051,000	-22,787,000	-23,890,000
EXPANDED PUBLIC WORKS PROGRAMME	-1,000,000	0	0
FEES : REFUSE REMOVAL	-180,000	-189,900	-199,965
RATES – GENERAL	-5,824,333	-6,121,374	-6,433,564
INCOME – INTEREST	-5,000,000	-5,000,000	-5,000,000
EQUITY SHARE GRANT (OPERATING)	-71,757,000	-69,820,000	-66,520,000
MUNICIPAL DEMARCATION TRANSITION GRANT	-1,857,000	0	0
CONDITIONS MET MSIG GRANT	-930,000	-957,000	-1,033,000
CONDITIONS MET FMG GRANT	-1,800,000	-1,825,000	-1,900,000
TENDER DOCUMENTS	-60,000	-60,000	-60,000
INCOME	-123,173,131	-111,680,842	-117,179,880

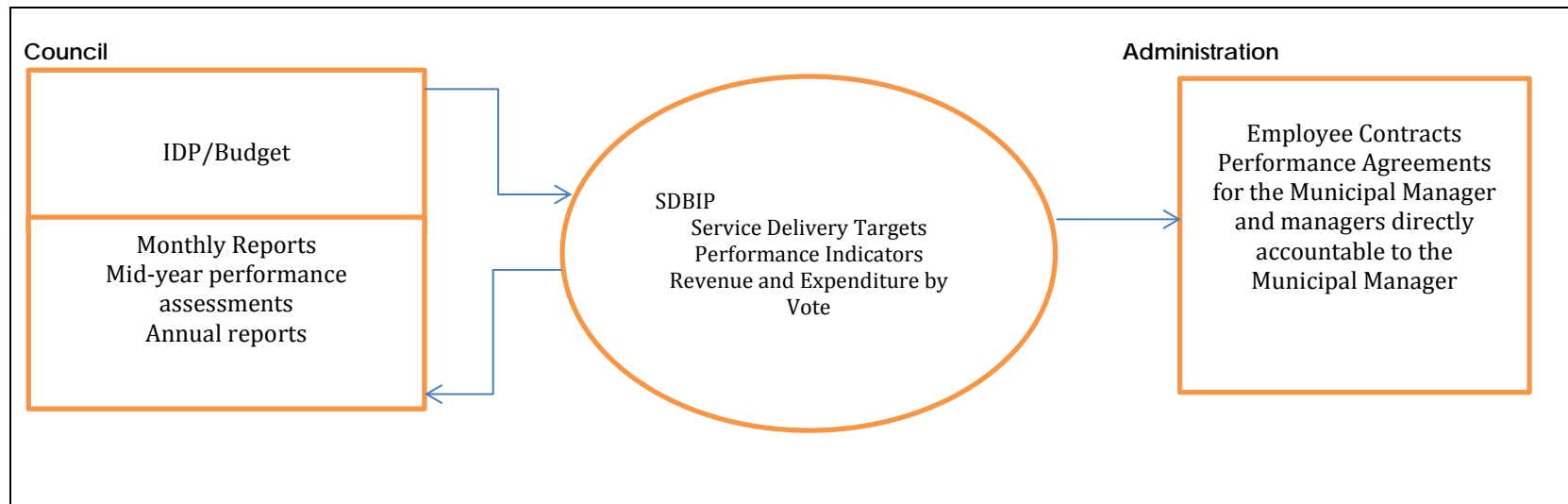
EXPENDITURE	BUDGET YEAR 2015-2016	BUDGET YEAR 2016-2017	BUDGET YEAR 2017-2018
TOTAL SALARIES	17,999,511		20,224,210
TOTAL GENERAL EXPENSES	41,315,145	19,106,481	46,202,892
TOTAL REPAIRS & MAINTENANCE	1,128,000	43,752,739	1,261,447
CONTRIBUTIONS TO PROVISION	1,650,000	1,194,552	1,845,202
TOTAL FREE BASIC SERVICES	1,000,000	1,747,350	1,118,304
TOTAL	63,092,656	66,860,122	70,652,055
OPERATING EXPENDITURE	63,092,656	66,860,122	70,652,055
CAPITAL EXPENDITURE	60,016,000	43,497,500	43,732,273
TOTAL	123,108,656	110,357,622	114,384,328
CAPITAL-GRANTS	30,051,000	21,787,000	30,890,000
CAPITAL OWN FUNDING	29,965,000	21,710,500	12,842,273
TOTAL	60,016,000	43,497,500	43,732,273

SECTION G: ANNUAL OPERATION PLAN (SDBIP)

G.1. Service Delivery and Budget Implementation Plans (SDBIP)

The Service Delivery and Budget Implementation Plan (SDBIP) gives effect to the Integrated Development Plan (SDBIP) and budget of the Municipality and this is only possible if the IDP and budget are fully aligned with each other, as required by Municipal Finance Management Act, 56 of 2003. The budget gives effect to the strategic priorities of the Municipality and is not a management or implementation plan, thus the SDBIP serves as a “contract” between administration, council and community expressing the goals and objectives set by the Council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against the predetermined objectives and targets as set out in figure 1 below:

Figure 1: SDBIP Contract



PURPOSE OF THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The SDBIP provides a crucial link between the Mayor, Council and administration by helping to facilitate the process of holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the Mayor, Councillors, Municipal Manager, Senior Managers

and the community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for the purposes of monitoring the execution of the budget, performance of senior management and achieving of the strategic objectives as set out by the Council.

It enables the Municipal Manager to monitor the performance of senior managers, the Mayor in monitoring the Municipal Manager, and for the community to monitor the performance of the Municipality. The SDBIP should thus determine (and be consistent) the performance agreements signed into by and between the Mayor & the Municipal Manager and Senior Managers and the Municipal Manager determined at the start of every financial year and approved by the Mayor.

THE SDBIP PROCESS

Drafting of a municipal Integrated Development Plan (IDP);
Submission of IDP projects to inform the Municipal Budget;
Drafting of a Municipal Budget;
Developing of Performance Targets and Key Performance Indicators;
Drafting of a Draft SDBIP by the Municipal Manager and Management Team;
Submission of the SDBIP to the Mayor;
Approval of the SDBIP by the Mayor (28 days after approval of the annual budget);
Approval of the SDBIP by the Mayor;
Monitoring the SDBIP and Financial Oversight;
Review of the SDBIP on a Quarterly Basis;
Bi-annual reporting to Council;
Reporting on Service Delivery in terms of the SDBI

COMPONENTS OF SDBIP

Chapter 1 of the Municipal Finance Management Act defines SDBIP as:

“A detailed plan approved by the Mayor of a Municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of municipal services and its annual budget, and which must indicate-

Projections for each month of-

Revenue to be collected, by source; and

Operational and capital expenditure, by vote;

Service delivery targets and performance indicators for each quarter”

The SDBIP must include the above information, which is the **basic information** required for the Municipal Manager to ensure performance. The SDBIP must also provide a mechanism and monitor for inputs, outputs and outcomes for each senior manager (department) by vote. One of the most fundamental and basic priorities of the Municipality is to collect all its revenue as budgeted failing which will undermine the primary aim of the municipality of delivering services. The Municipality must ensure that it has instituted measures to achieve monthly revenue targets for each revenue source.

The SDBIP information on revenue will be monitored and reported monthly by the Municipal Manager in terms of section 71(1) (a) and (e) of the MFMA. Service Delivery targets relate to the level and standard of services being provided to the community and include targets for the reduction of infrastructural backlogs in the community.

The internal or management information indicators (Middle Managers' action plans) should not be made public. The development of appropriate and clear service delivery performance targets and indicators is of the paramount importance in order to implement, monitor, measure and report on municipal performance.

METHODOLOGY FOR PREPARATION OF SDBIP

Section 69(3)(a)(b) of the MFMA requires the accounting officer to submit a draft SDBIP to the Mayor no later than 14 days after the approval of the budget and drafts of the performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act. The Mayor must subsequently approve the SDBIP no later than 28 days after the approval of the budget in accordance with section 53(1)(c)(ii) of the MFMA.

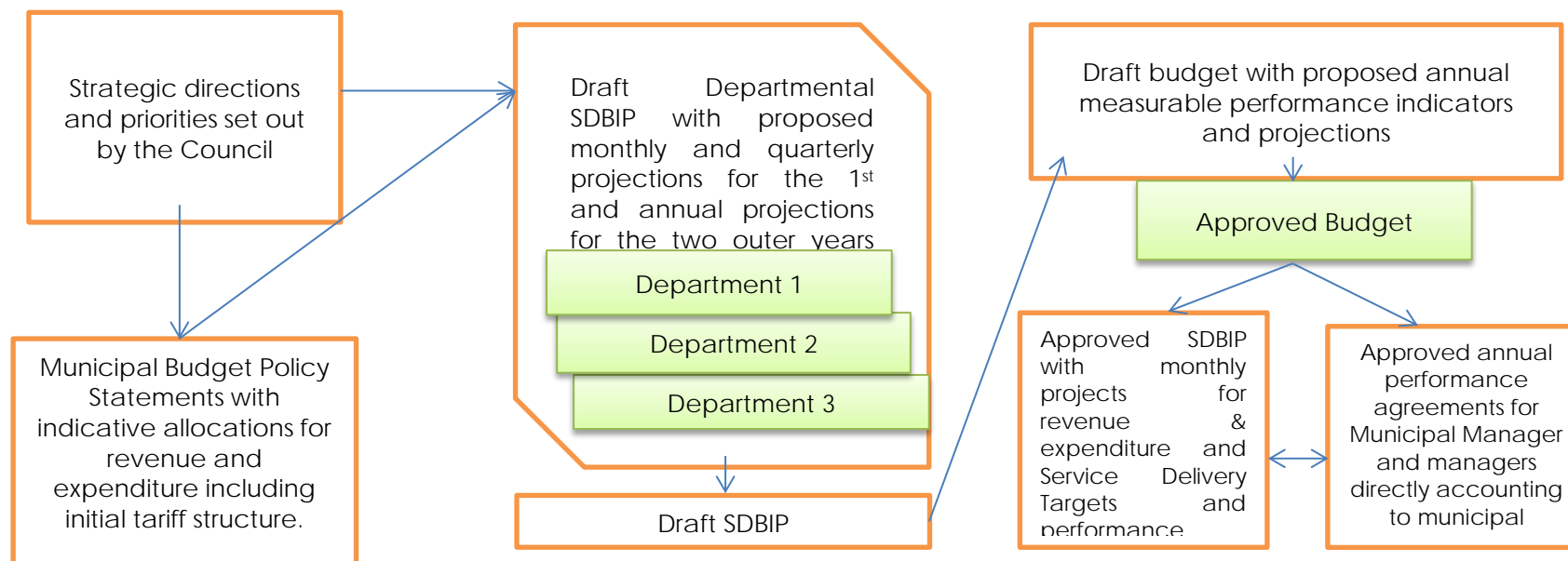
These legal requirements and deadline limits assist the municipality to comply with the law-however best practice suggests that this be done earlier by municipalities, starting with senior managers to draw up their second layer departmental SDBIP's in the early stages of the planning and budget preparation process in-line with the strategic direction of the IDP. The Mayor and Municipal Manager must be the driver of the process.

The Municipality should ideally publish its draft SDBIP with draft budget or soon thereafter as a supporting document in the IDP/Budget hearing process held at the end of March or in April. As noted above, the SDBIP should be submitted to the Mayor by 1st May the latest. If the draft SDBIP is to be provided for the IDP/Budget hearings, the municipality may want to bring this date forward or provide departmental SDBIPs as supporting information to the relevant committee around the end of March. In this case, the Mayor will need to approve such departmental or draft SDBIPs by mid-March. It should be noted that it is up to the Municipality to determine extra-detail and whether they wish to bring forward their date for submission and approval.

A Municipality could also opt to have the high level SDBIP complete with break-downs for tabling and publication, but may also in addition make available lower layer departmental SDBIPs and other information as requested by the Council. With careful planning of the budget process it may be possible for the Mayor to approve the SDBIP in less than 7 days after the Council approves the budget.

Legally, to take account of possible revisions to the budget, the Act allows for this to occur no later than 28 days after the budget approval. Figure 2 below shows the processes for approving the SDBIP including how the departmental SDBIP roll up into the draft SDBIP.

Figure 2: Process of Preparation and Approving the SDBIP



Monthly projections of revenue and expenditure

The following tables indicate the monthly revenue and expenditure, followed by revenue and expenditure by vote and revenue and expenditure by standard classification:

Supporting Table SA25. Budgeted monthly revenue and expenditure	- 6
Supporting Table SA26. Budgeted monthly revenue and expenditure (municipal vote)	- 7
Supporting Table SA27. Budgeted monthly revenue and expenditure (standard classification)	- 8

KZN233 Indaka - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote															
Vote 1 - Council & Executive	1 274				1 274				1 274			–	3 823	4 000	4 181
Vote 2 - Budget & Treasury												84 624	84 624	81 026	78 035
Vote 3 - Corporate Services	10	10	10	10	10	10	10	10	10	10	10	10	123	123	123
Vote 4 - Community Services	768											–	768	798	840
Vote 5 - Development & Planning												–	–	–	–
Vote 6 - Roads												31 051	31 051	22 787	30 890
Vote 7 - Waste Management	15	15	15	15	15	15	15	15	15	15	15	15	180	190	200
Vote 8 - Electrification												–	–	–	–
Vote 9 - [NAME OF VOTE 9]												–	–	–	–
Vote 10 - [NAME OF VOTE 10]												–	–	–	–
Vote 11 - [NAME OF VOTE 11]												–	–	–	–
Vote 12 - [NAME OF VOTE 12]												–	–	–	–
Vote 13 - [NAME OF VOTE 13]												–	–	–	–
Vote 14 - [NAME OF VOTE 14]												–	–	–	–
Vote 15 - [NAME OF VOTE 15]												–	–	–	–
Total Revenue by Vote	2 068	25	25	25	1 300	25	25	25	1 300	25	25	115 701	120 569	108 923	114 268
Expenditure by Vote to be appropriated															
Vote 1 - Council & Executive	843	843	843	843	843	843	843	843	843	843	843	843	10 121	10 737	11 358
Vote 2 - Budget & Treasury	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	25 022	26 506	27 999
Vote 3 - Corporate Services	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	12 938	13 709	14 484
Vote 4 - Community Services	139	139	139	139	139	139	139	139	139	139	139	139	1 667	1 767	1 868
Vote 5 - Development & Planning	101	101	101	101	101	101	101	101	101	101	101	101	1 211	1 285	1 359
Vote 6 - Roads	693	693	693	693	693	693	693	693	693	693	693	693	8 319	8 818	9 320
Vote 7 - Waste Management	101	101	101	101	101	101	101	101	101	101	101	101	1 210	1 281	1 353
Vote 8 - Electrification												–	–	–	–
Vote 9 - [NAME OF VOTE 9]												–	–	–	–
Vote 10 - [NAME OF VOTE 10]												–	–	–	–
Vote 11 - [NAME OF VOTE 11]												–	–	–	–
Vote 12 - [NAME OF VOTE 12]												–	–	–	–
Vote 13 - [NAME OF VOTE 13]												–	–	–	–
Vote 14 - [NAME OF VOTE 14]												–	–	–	–
Vote 15 - [NAME OF VOTE 15]												–	–	–	–
Total Expenditure by Vote	5 041	5 041	5 041	5 041	5 041	5 041	5 041	5 041	5 041	5 041	5 041	5 041	60 489	64 103	67 740
Surplus/(Deficit) before assoc.	(2 973)	(5 015)	(5 015)	(5 015)	(3 741)	(5 015)	(5 015)	(5 015)	(3 741)	(5 015)	(5 015)	110 660	60 080	44 821	46 528
Taxation												–	–	–	–
Attributable to minorities												–	–	–	–
Share of surplus/ (deficit) of associate												–	–	–	–
Surplus/(Deficit)	(2 973)	(5 015)	(5 015)	(5 015)	(3 741)	(5 015)	(5 015)	(5 015)	(3 741)	(5 015)	(5 015)	110 660	60 080	44 821	46 528

KZN233 Indaka - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard															
<i>Governance and administration</i>	1 285	10	10	10	1 285	10	10	10	1 285	10	10	84 635	88 570	85 149	82 338
Executive and council	1 274				1 274				1 274			-	3 823	4 000	4 181
Budget and treasury office												84 624	84 624	81 026	78 035
Corporate services	10	10	10	10	10	10	10	10	10	10	10	10	123	123	123
<i>Community and public safety</i>	768	-	-	-	-	-	-	-	-	-	-	-	768	798	840
Community and social services	768												768	798	840
Sport and recreation													-	-	-
Public safety													-	-	-
Housing													-	-	-
Health													-	-	-
<i>Economic and environmental services</i>	-	-	-	-	-	-	-	-	-	-	-	31 051	31 051	22 787	30 890
Planning and development													-	-	-
Road transport												31 051	31 051	22 787	30 890
Environmental protection													-	-	-
<i>Trading services</i>	15	15	15	15	15	15	15	15	15	15	15	15	180	190	200
Electricity													-	-	-
Water													-	-	-
Waste water management													-	-	-
Waste management	15	15	15	15	15	15	15	15	15	15	15	15	180	190	200
<i>Other</i>													-	-	-
Total Revenue - Standard	2 068	25	25	25	1 300	25	25	25	1 300	25	25	115 701	120 569	108 923	114 268
Expenditure - Standard															
<i>Governance and administration</i>	4 007	4 007	4 007	4 007	4 007	4 007	4 007	4 007	4 007	4 007	4 007	4 007	48 081	50 951	53 840
Executive and council	843	843	843	843	843	843	843	843	843	843	843	843	10 121	10 737	11 358
Budget and treasury office	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	2 085	25 022	26 506	27 999
Corporate services	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	1 078	12 938	13 709	14 484
<i>Community and public safety</i>	139	139	139	139	139	139	139	139	139	139	139	139	1 667	1 767	1 868
Community and social services	139	139	139	139	139	139	139	139	139	139	139	139	1 667	1 767	1 868
Sport and recreation													-	-	-
Public safety													-	-	-
Housing													-	-	-
Health													-	-	-
<i>Economic and environmental services</i>	832	832	832	832	832	832	832	832	832	832	832	376	9 531	10 103	10 679
Planning and development	139	139	139	139	139	139	139	139	139	139	139	(317)	1 211	1 285	1 359
Road transport	693	693	693	693	693	693	693	693	693	693	693	693	8 319	8 818	9 320
Environmental protection													-	-	-
<i>Trading services</i>	101	101	101	101	101	101	101	101	101	101	101	101	1 210	1 281	1 353
Electricity													-	-	-
Water													-	-	-
Waste water management													-	-	-
Waste management	101	101	101	101	101	101	101	101	101	101	101	101	1 210	1 281	1 353
<i>Other</i>													-	-	-
Total Expenditure - Standard	5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	4 623	60 489	64 103	67 740
Surplus/(Deficit) before assoc.	(3 011)	(5 053)	(5 053)	(5 053)	(3 779)	(5 053)	(5 053)	(5 053)	(3 779)	(5 053)	(5 053)	111 078	60 080	44 821	46 528
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	(3 011)	(5 053)	(5 053)	(5 053)	(3 779)	(5 053)	(5 053)	(5 053)	(3 779)	(5 053)	(5 053)	111 078	60 080	44 821	46 528

Monthly projections of capital expenditure per each vote

The following tables indicate the budgeted monthly capital expenditure by vote and budgeted monthly capital expenditure by standard classification

Supporting Table SA28. Budgeted monthly capital expenditure (municipal vote)	- 10
Supporting Table SA28. Budget monthly capital expenditure (standard classification)	- 11

KZN233 Indaka - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)															
Budget Year 2015/16													Medium Term Revenue and Expenditure Framework		
Description	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand															
Multi-year expenditure to be appropriated															
Vote 1 - Council & Executive													-	-	-
Vote 2 - Budget & Treasury													-	-	-
Vote 3 - Corporate Services	95	95	95	95	95	95	95	95	95	95	95	95	1 135	142	149
Vote 4 - Community Services	198	198	198	198	198	198	198	198	198	198	198	198	2 375	2 494	2 618
Vote 5 - Development & Planning													-	-	-
Vote 6 - Roads	667	667	667	667	667	667	667	667	667	667	667	667	8 000	9 000	10 000
Vote 7 - Waste Management													-	-	-
Vote 8 - Electrification													-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-
Capital multi-year expenditure sub-total	959	959	959	959	959	959	959	959	959	959	959	959	11 510	11 636	12 767
Single-year expenditure to be appropriated															
Vote 1 - Council & Executive													-	-	-
Vote 2 - Budget & Treasury			245										-	245	-
Vote 3 - Corporate Services		30											-	30	-
Vote 4 - Community Services	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	18 897	3 862	75
Vote 5 - Development & Planning													-	-	-
Vote 6 - Roads	2 500	1 875	2 567	1 245	1 000	2 750	1 450	1 780	1 980	1 675	2 000	512	21 334	28 000	23 890
Vote 7 - Waste Management													-	-	-
Vote 8 - Electrification		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000				-	8 000	-
Vote 9 - [NAME OF VOTE 9]													-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-
Capital single-year expenditure sub-total	4 075	4 480	5 387	3 820	3 575	5 325	4 025	4 355	4 555	3 250	3 575	2 087	48 506	31 862	30 965
Total Capital Expenditure	5 034	5 439	6 346	4 779	4 534	6 284	4 984	5 314	5 514	4 209	4 534	3 046	60 016	43 498	43 732

KZN233 Indaka - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)																
Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Capital Expenditure - Standard																
<i>Governance and administration</i>	95	95	340	95	95	95	95	95	95	95	95	125	1 410	142	149	
Executive and council												-	-	-	-	
Budget and treasury office			245									-	245	-	-	
Corporate services	95	95	95	95	95	95	95	95	95	95	95	125	1 165	142	149	
<i>Community and public safety</i>	1 575	2 575	2 575	2 575	2 575	1 575	1 575	1 575	1 575	1 575	1 000	525	21 272	6 356	2 693	
Community and social services	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 575	1 000	525	17 272	6 356	2 693	
Sport and recreation		1 000	1 000	1 000	1 000							-	4 000	-	-	
Public safety												-	-	-	-	
Housing												-	-	-	-	
Health												-	-	-	-	
<i>Economic and environmental services</i>	2 500	4 500	1 890	4 678	2 490	1 246	2 467	1 764	1 256	1 900	2 165	2 478	29 334	37 000	33 890	
Planning and development												-	-	-	-	
Road transport	2 500	4 500	1 890	4 678	2 490	1 246	2 467	1 764	1 256	1 900	2 165	2 478	29 334	37 000	33 890	
Environmental protection												-	-	-	-	
<i>Trading services</i>	-	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	-	-	-	8 000	-	7 000	
Electricity		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000			-	8 000	-	7 000	
Water												-	-	-	-	
Waste water management												-	-	-	-	
Waste management												-	-	-	-	
<i>Other</i>												-	-	-	-	
Total Capital Expenditure - Standard	4 169	8 169	5 804	8 347	6 159	3 915	5 136	4 433	3 925	3 569	3 260	3 127	60 016	43 498	43 732	
Funded by:																
National Government	10 017				10 017				10 017			-	30 051	22 787	30 890	
Provincial Government												-	-	-	-	
District Municipality												-	-	-	-	
Other transfers and grants												-	-	-	-	
Transfers recognised - capital	10 017	-	-	-	10 017	-	-	-	10 017	-	-	-	30 051	22 787	30 890	
Public contributions & donations												-	-	-	-	
Borrowing												-	-	-	-	
Internally generated funds	1 169	1 169	1 804	1 347	159	3 915	1 136	2 433	3 925	3 569	3 260	6 076	29 965	21 711	12 842	
Total Capital Funding	11 186	1 169	1 804	1 347	10 176	3 915	1 136	2 433	13 942	3 569	3 260	6 076	60 016	44 498	43 732	

SECTION H: ORGANISATIONAL & INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

H.1. ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM (OPMS)

The Organisational Performance Management System of the Municipality has been developed and it has been mostly focusing on the organization and only the Section 54/56 Managers. The OPMS is crafted taking the organisational long-term goals and is linked to the performance of each manager for its achievement.

The following is a diagrammatic representation of the Indaka Municipality Performance Management System.

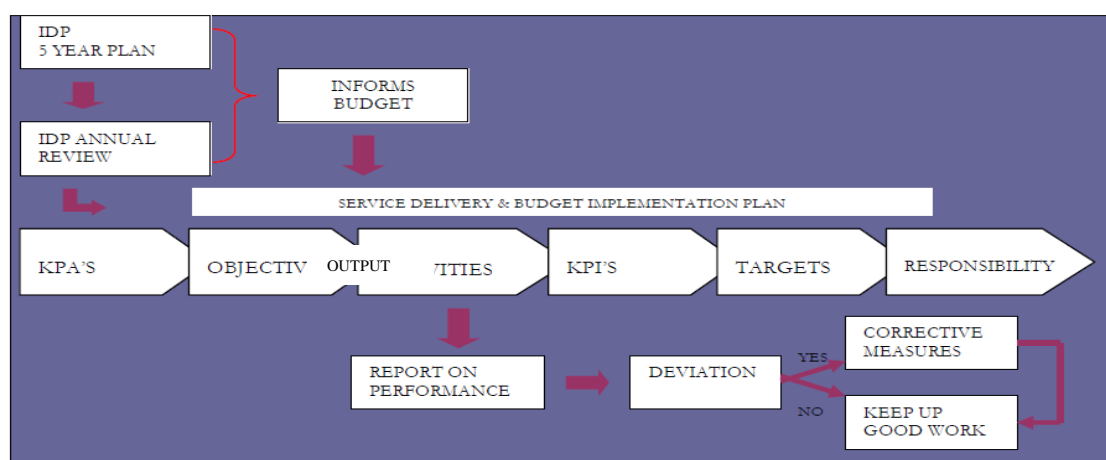


Figure 25: Performance Management System of the Municipality

Purpose

A well developed and functional PMS will assist in checking that the delivery is happening as planned and promotes the efficient utilization of resources. PMS also promotes the delivery of the envisaged quality of services, identifies blockages and guides future planning and developmental objectives and resource utilization of the municipality. It is also important to indicate that PMS identifies capacity gaps in both human and non-human resources and at the same time assists in determining right-sizing requirements while providing early warning signals to future problems with the implementation of the IDP in terms of risks.

Background

Indaka Local Municipality annually adopts the revised Integrated Development Plan (IDP) and has identified a need to facilitate the implementation of the IDP through a Performance Management System (PMS). PMS is one of the tools available to the municipality to continuously assess and measure the attainment of predetermined outcomes and/or outputs using a set of indicators and targets. It is a mechanism the municipality may use to undertake self-assessment of the implementation of its Integrated Development Plan (IDP) and its efficiency in the allocation and expenditure of municipal funds.

Section 38 of the Municipal Systems Act prescribes that a Municipality must establish a Performance Management System (PMS) as a means to improve its performance. Section 57 (1) (b) further prescribes that a performance agreement must be entered into between the municipality and the municipal manager, and between the Municipal Manager and all persons directly accountable to him. Section 40 provides for the municipality to develop a mechanism to monitor and review its PMS.

In addition to the above PMS can be seen as a process that involves both managers and employees in identifying and describing job functions and relating it to the strategy (IDP) developing appropriate Performance Standard giving and receiving feedback about one's performance undertaking performance appraisal identifying and planning skills development opportunities to sustain and improve employee work performance.

In other words this system forces all individuals in a municipality, to be held accountable for their actions, which should bring about improved service delivery and value for money.

Aims and Objectives

The aims of the Performance Management System are:

- To monitor, Review, Improve the implementation of the Integrated Development Plan (IDP) and to assess the progress made in achieving the implementation of the IDP and other service delivery functions of the municipality.
- To provide decision makers with the relevant information that will allow efficient, effective and informed decision-making.
- To ensure that learning and improvement takes place, for the municipality to improve delivery.
- To provide early warning and signals to all stakeholders for all performance related risks, so that early intervention can take place, where necessary.
- To facilitate increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

PMS Steps and Processes

The steps as articulated on the PMS policy framework for the municipality include:

- Gearing the municipality for implementation of the PMS.
- Internal and external consultation around PMS.
- Setting of performance measures.
- Institutionalization of the reporting.
- Preparing the municipality for the audit of its performance.
- Linking PMS with performance of Section 57 employees.
- On-going support in terms of Performance Monitoring and Reporting.

Approach and Methodology

Approach

The performance of Indaka Municipality is to be planned in terms of its IDP and Budget, particularly the process of compiling an IDP and the annual review thereof. The municipality is also required to prepare the Service Delivery and Budget Implementation Plan in order to manage its performance towards the implementation on of the IDP and Budget. This involves quarterly or mid-term reviews. It should be noted that the last component of the cycle is that of the performance review and the outcome of such a review process must inform the next cycle of IDP compilation/ review by focusing the planning processes on those areas in which the Municipality has under-performed.

Performance monitoring is an ongoing process, which continuously monitors current performance against set targets. The aim of the monitoring process is to take appropriate and immediate interim action where there is an indication that a target is not going to be achieved by the set time. This is normally observed during the reporting meeting where the progression of the targets is reviewed. Performance monitoring requires that appropriate action should be taken when it becomes evident that a specific performance target is not going to be achieved. It is therefore proposed that the Managers should track performance

trends against set targets on a monthly basis, as a means to identify performance related problems early and take appropriate remedial action.

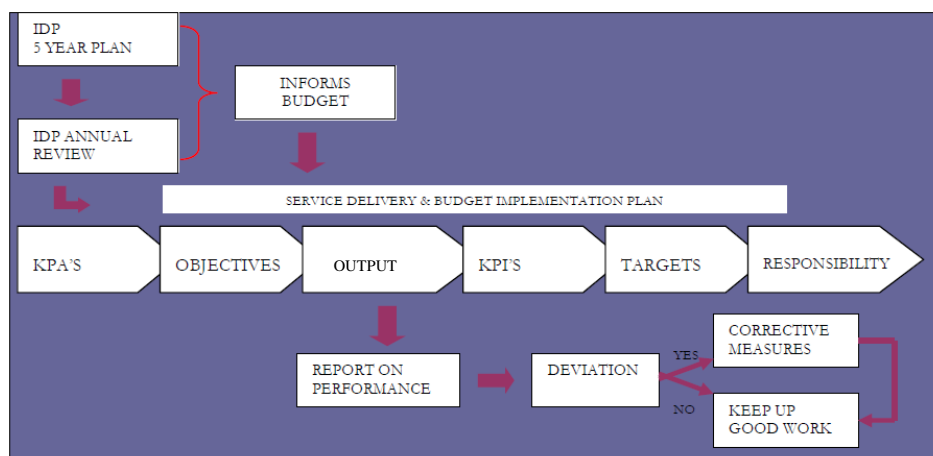


Figure 26: Performance Monitoring

Methodology

A total of eight steps will be undertaken in order to develop a Performance Management System for Indaka. These steps should not be construed as discreet components, as but interrelated and sequential grouping of activities necessary for the establishment of an effective and implementable PMS. These can be outlined as follows:

Step 1: Selecting appropriate Key Performance Areas (KPA's):

Setting KPAs is the first step in the performance management process. Section 26 (c) of the Municipal Systems Act requires that the development priorities of a municipality be clustered around the following KPAs, which can be regarded as national developmental priorities.

Step 2: Formulating appropriate Development Objectives:

As a second step one needs to design high-level objectives per Key Performance Area, which put more emphasis on development. These should be manageable and realistic.

Step 3: Developing suitable Key Performance Indicators:

As a third step, it is necessary to determine KPIs, which define what needs to be measured in order to gauge progress towards achieving the development objectives. KPIs must be measurable, relevant, simple and precise. KPIs can also be used to:

- Communicate the achievements and results of the municipality.
- Determine whether a municipality is delivering on its developmental mandate.
- Indicate whether the organizational structure of a municipality is aligned to deliver on its developmental objectives.
- Promote accountability by the council to its electorate.

Step 4: Setting performance targets:

Step 4 involves setting performance targets for each identified KPI. Performance targets should comply with SMART a principle, which stands for Specific, Measurable, Achievable, Realistic and Time bound.

Step 5: Identifying actions that will achieve the performance targets:

After targets have been set, it is important to identify action steps required for achieving each performance target. The actions taken in each target must feed into the achievement of the broader target.

Step 6: Allocation of responsibility:

Step 6 involves allocating roles and responsibilities to different individuals in the municipality. A name must be assigned to each action indicated above. This is also a way of cascading the responsibility from strategic level down to operational level and from organisational goals to individual employees. Individual employees can therefore be clear on their role in achieving the strategic objectives.

Step 7: Setting target dates:

Target dates for the completion of actions should be set in conjunction with those individuals responsible for their achievement. Realistic dates should be set, and if not, the individuals concerned create false expectations and also set themselves up for failure.

Step 8: Allocate financial resources for achieving set performance targets:

The last step (step 8) involves identifying and allocating budget for each of the set targets. Without budget resources, most of the identified actions will be difficult to execute.

The process was underpinned by the following overarching concerns, which can be used to assess the reliability and relevance of the end product to the specific context of Indaka Municipality:

- Integration of PMS to the management processes and systems.
- Linkages between performance plans and the organizational objectives as outlined in the IDP.
- Clear, unambiguous and negotiated performance measures. The PMS should be able to measure progress with regard to implementation of the IDP. It should be able to issue early warnings if there is lack of progress.
- Sustainability of service delivery.
- Customer focus in line with the Batho Pele principles.
- Simplicity: at the onset, it is essential to develop a PMS that will be simple and easy to understand so as to avoid uncertainties during implementation.
- Linkages with the capacity building and skills development programmes.
- Benchmarking.
- Incremental implementation.
- Transparency and accountability.
- Integration: facilitates integration of the PMS with the IDP and the budget. PMS measures performance in terms of both expenditure and project/ programme implementation.
- Realistic: the time frames stipulated in the PMS should be as realistic as possible so as to avoid manipulation of the system.

Stakeholder Engagement Plan

Public participation and involvement forms an important aspect of development projects, and is framed within the legislative requirements of a new democratic and developmental orientated government. In order to address this requirement mechanism, processes and procedures are required to enable community participation. The purpose of this document is to set out the participation structures and procedures that will be followed through the course of the project. Participation strategies and potential stakeholder's roles and responsibilities are discussed.

Legal Requirements

In terms of the legal requirements pertaining to participation, the Constitution of South Africa [Section 152 (1) (e)] states that government is to encourage the involvement of communities and community organizations in local government.

Further to the Constitution, the Municipal Systems Act (Act 32 of 2000) sets out the core principles, mechanisms and processes for municipalities in order to achieve development and move progressively toward participatory governance. This Act also assists in the empowerment of municipalities to move towards the social and economic upliftment of communities. As such, this act calls for public consultation through public participation. In order for public participation to be effective, conditions conducive for participation and the encouragement thereof is essential. The establishment of ward committees as a means to reach the community at ground level are also encouraged. The adherence to the Batho Pele principles set out by government forms an important aspect of participation. These include the following:

- Consultation
- Service Standards
- Courtesy
- Access
- Information
- Openness and Transparency
- Dealing with complaints
- Giving Best Value
- Encouraging Innovation and Reward Excellence
- Customer Impact

Public Participation

Public Participation is defined in Wikipedia as follow:

"Generally public participation seeks and facilitates the involvement of those potentially affected by or interested in a decision."

The principle of public participation holds that those who are affected by a decision have a right to be involved in the decision-making process. Public participation implies that the public's contribution will influence the decision."

Participation can also be described as the process through which stakeholders influence and share control over priority setting, policy-making, resource allocations and access to public goods and services. Through the promotion of participation, ownership is promoted and transparency and accountability are achieved.

Value of Public Participation

The value of public participation, as set out in the International Association for Public Participation, is described as follow:

- Affected parties in decision-making processes should be involved in the decision-making process.
- The public's contribution must influence the decision.
- Recognizing and communicating the needs and interests of all participants, including decision makers, leads to sustainable decisions.
- Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
- Public participation seeks input from participants in designing how they participate.
- Public participation provides participants with the information they need to participate in a meaningful way.

- Public participation communicates to participants how their input affected the decision.

Public Participation Objectives

The main objectives of participation are to inform, consult, involve, collaborate and empower the public in the process of public participation.

Stakeholders

Stakeholders are individuals and organizations that are actively involved in the project, or whose interests may be affected as a result of the project. The project team and their requirements will identify stakeholders and expectations will be determined.

Stakeholders Roles and Responsibilities

Stakeholders have varying levels of responsibility and authority when participating on a project. Their responsibility and authority range from occasional contributions in surveys and focus groups to full project sponsorship, which includes providing financial and political support.

Some of the responsibilities of stakeholders are discussed below.

- To assist in the identification of other stakeholders who should be consulted;
- To prepare themselves for public workshops and/or meetings, and to attend/participate in them;
- To rise above personal agendas, and to understand and appreciate that there will always be trade-offs.

In addition, stakeholders should understand that it is the sum total of all inputs from all participants that will add value to decision making, and that the process can recognize, but cannot be governed by, individual viewpoints.

Stakeholders Identification

The stakeholders/parties who need to be advised about the project and/ or participate in its preparation will include:

- Members of the general public (interested and affected parties);
- Municipal service business units / sub-units;
- Ward Councillors.

Individual Performance Management System (IPMS)

The IPMS of the Municipality is informed by the IPMS Framework which is a draft stage at this moment. The Framework seeks to cascade the application of performance management to lower levels of the organisation. The Municipality is also aware that the cascading down of the performance is being taken care of at the SALGA level thus the Municipality will be monitoring the developments in that regard to avoid employee/employer tensions.

CONCLUSION

This is the 3rd generation of Integrated Development Plans (IDP) since their inception in the year 2000. The IDP is the principle strategic planning document that paves the way for current and future development priorities of the municipality. It strives to address both national and provincial priorities as elaborated in both the State of the Nation and the State of the Province Addresses.

A large portion of this IDP Review is dedicated to the financial implications and challenges facing the Municipality in meeting its mandate as caretakers, managers and developers of their judicial area. The demands far outweigh the resources and it is critical that the Municipality continue and strive to:-

- Prioritize projects and programmes for implementation in addressing the community needs.
- Do proper financial planning which is also based on sound financial and business principles.
- Source appropriate external funds to supplement our own resources.
- Improve and sustain the Municipal income generation.
- Stimulate and grow the economic base of the Indaka Municipal area.
- Enter into partnerships to facilitate effective implementation.

Ultimately, the Indaka Municipality needs to integrate and align all its efforts with those of its neighbouring Local Municipalities as well as national and provincial stakeholders. The effort made in this IDP to align the council budget with those of line function departments goes a long way to addressing the weaknesses of previous development plans. Even though the implementation process may take a number of years and at times seem difficult, the advantages of this process are numerous. Policy makers (councillors) gain clear information about the impact of spending, aiding them in making informed decisions.

The results of policy decisions become evident as performance is measured and resource usage is directly related to services delivered. Programme managers will work within well-defined expectations and have the flexibility to reform processes and increase efficiency as long as goals are met. The Indaka communities also benefit by being able to determine a clear connection between money spent and services provided.

Last, but not least the Indaka Municipality is aware that this is the last IDP review as indicated in the Executive Summary prior to the amalgamation of Indaka and Umnambithi Local Municipalities after the 2016 local government elections.

Although these Municipalities will cease to exist in the near future but the developmental challenges which have been identified by the outgoing Councils will form part of the new entity (KZN238).

SECTION I: APPENDICES

Appendix J1:

Spatial Development Framework (Attached as separate document)

Appendix J2:

Integrated Waste Management Plan (Attached as a separate document)

Appendix J3:

Water Service Development Plan

Consultation with uThukela District Municipality has proved no success and uncertain as to the status thereof.

Appendix J4:

Integrated Transport Plan

2005 – 2010

**Attached, however out-dated, in the process of being reviewed
by uThukela District Municipality.**

Appendix J5:

Housing Sector Plan

The Housing Plan is being developed and subject to Council approval, will be included in the final IDP.

Appendix J6:

Energy Master Plan (Electricity Master Plan)

Since the Indaka local municipal area is currently under ESKOM license servicing agreement the uThukela District Municipality is in the process of preparing a district wide Energy Master Plan that would reflect the roll out of electricity provision of Indaka. Comprehensive status report to form part of final submission

Appendix J7:

Rural Development Strategy (attached as a separate document)

Appendix J8:

Local Economic Development (Attached as a separate document)

Appendix J9:
REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL
PROVINCIAL LEGISLATURE AND COUNCIL ON INDAKA
MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Indaka Municipality set out on pages ... to ..., which comprise, the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, the cash flow statement and the statement of comparison of budget information with actual information for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

1. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

2. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
3. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

4. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

5. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Indaka Municipality as at 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairments

7. As disclosed in note 16 to the financial statements, material impairment on outstanding debtors to the amount of R1,96 million (2013: R1,34 million) were incurred as a result of the municipality not implementing adequate processes for the collection of outstanding debtors.

Restatement of corresponding figures

8. As disclosed in note 36 and 37 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of implementation of new accounting policies and errors discovered during 30 June 2014 in the financial statements of the Indaka Municipality at, and for the year ended 30 June 2013.

Material underspending of the budget

9. As disclosed in note 51 to the financial statements, the municipality has materially underspent the capital budget to the amount of R28,44 million. Consequently, the municipality had not fully achieved on all its objectives of promoting access to basic service delivery.

Additional matters

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

11. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Unaudited disclosure notes

12. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for the selected development priority presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development priority presented in the annual performance report of the municipality for the year ended 30 June 2014:
- Development priority 1: Basic service delivery and infrastructure on pages x to x.
15. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
16. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the development priority 1: Basic service delivery and infrastructure.

Additional matters

19. Although no material findings concerning the usefulness and reliability of the performance information was identified in the annual performance report, I draw attention to the following matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages xx to xx for information on the achievement of the planned targets for the year.

Material adjustments to the annual performance report

21. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information relating to development priority 1: Basic service delivery and infrastructure. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary information

22. The supplementary information set out on pages xx to xx does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not express a conclusion thereon.

Compliance with legislation

23. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Financial statements

24. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, heritage assets, provision for landfill site, unspent conditional grants and irregular expenditure identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

25. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
26. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

Revenue management

27. A credit control and debt collection policy was not implemented, as required by section 96(b) of the Municipal Systems Act and section 62(1)(f)(iii) of MFMA.

Internal control

27. I considered internal control relevant to my audit of the financial statements, performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the

significant deficiencies that resulted in the findings on the performance report and the findings on compliance with laws and regulations included in this report.

Leadership

28. The accounting officer did not exercise adequate oversight over financial and performance reporting, compliance with laws and regulations as well as internal control with respect to procurement and contract management and revenue and debt management due to the lack of knowledge and skill of applicable legislation and reporting standards.

Financial and performance management

29. Management have failed to implement proper review and monitoring controls to ensure complete and accurate financial and performance reporting and compliance with laws and regulations applicable to procurement and contract management and revenue and debt management.

Pietermaritzburg

28 November 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Appendix J10:

Sector Plan Alignment

Appendix J11:

IDP Process Plan / IDP Framework Plan (attached as a separate document)

Appendix J12:

Municipal Turn Around Strategy (MTAS)

Appendix J13:

Provincial Sector Department MTEF Summary

Appendix J14:

5 Year Plans/Capital Investment Framework (CIF) (Attached as a separate sheet)

Appendix J15:

SDBIP

The draft SDBIP has been included in section G